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SPECIAL 32-PAGE ISSUE

Articles on Central America, the Foreign Market for Cotton, Britain's Farm Review, the Madrid Trade Fair — plus more news on Crops and Markets

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Including FOREIGN CROPS AND MARKETS

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Mexican farmer proudly displays his corn. This issue, in recognition of the 70th anniversary of the Organization of American States, carries two articles on Latin America—on pages 3 and 10.

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Central America Moves Ahead to Economic Integration

In 1960, five countries of Central America signed a treaty looking forward to a common market in 5 years. Here is a report on progress and problems.

By MARY S. COYNER
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This year—the fourth year of the Central American Common Market (CACM)—the CACM countries are experiencing unprecedented prosperity. The basis for this prosperity is their record output of the agricultural commodities they export outside the area and the higher prices they are receiving for these commodities in world markets.

The CACM countries are spending income from trade in these commodities on raw materials and on machinery for processing them. In turn, all their products are finding a wider market among the area's own population of 12 million, to which a 3.1-percent annual rate of increase will add another 300,000 by mid-1965.

Because agriculture is still Central America's principal economic activity, it is responsible not only for much of the area's progress, but for many of the problems that remain unsolved. What the CACM achieves in improving the agricultural production of its members will be a major influence on its trade, both within the area and with outside countries, including the United States.

Present status of the CACM

When Central American economic integration was put into motion almost 15 years ago by the Economic Cooperation Committee of the Central American Isthmus (composed of the Ministers of Economy of the five countries), the members agreed that it should take place gradually and in a limited manner. Thus, early treaties were limited in scope and were effective only between the four countries—El Salvador, Guatemala, Honduras, and Nicaragua—making up the trading area that came to be called the Central American Free Trade Area (CAFTA).

The Central American Common Market, as it is more widely known today, actually received its recent growth impetus when the General Treaty of Economic Integration (promulgated in December 1960) entered into force on June 4, 1961, with ratification by Guatemala, El Salvador, and Nicaragua. Honduras ratified the treaty a year later and Costa Rica in 1963. Panama remains outside the common market but has shown increasing interest in joining. It has sent observers to most of the meetings.

The General Treaty of 1960 broadened the scope of previous treaties and aimed at the establishment of a common market within 5 years. By the end of 1962, 95 percent of the articles now being produced or having the possibility of being produced within the area enjoyed free trade. A common external tariff had been negotiated which covered 98 percent of all imports.

In an analysis of regional trade, the Permanent Secretariat of Central American Economic Integration (SIECA) reports that trade within the area rose from $36.8 million in 1961 to $50.4 million in 1962 and to $67.6 million in 1963. Although food products were the most important commodities for 1961 and 1962, the value of trade in foods declined by more than a half million dollars in 1963 despite an increase in volume; agriculture's share of total intra-CACM trade fell from 50 percent to 37. At the same time trade in manufactured products increased by $9 million, to assume the leadership.

Nondurable consumer goods, including some food products, beverages, and tobacco, made up 49.5 percent of total 1963 trade among member countries. The "raw materials and intermediate products" group, including certain food commodities, fats and oils, chemical products, and raw materials made up 30.5 percent of the total. Construction materials, fuels and lubricants, durable consumer

Sugarcane harvest in El Salvador (Photos courtesy Pan American Union)

goods, metals, and capital goods for agriculture, industry, and transportation made up the remaining 20 percent.

SIECA also compared the development of interzonal trade among four regional trading associations (the Central American Common Market, the Latin American Free Trade Area, the European Economic Community, and the European Free Trade Association). In this comparison, the CACM made the best showing. Its index of regional trade reached 328.9 in 1963 (1958 = 100), compared with 172.5 in 1962 (1957 = 100) for the EEC. (1958 was the year when the Central American Multilateral Free Trade Treaty, fore-runner of the General Treaty, was promulgated; 1957, the year before the signing of the EEC's Rome Treaty.)

During the decade of the 1950's total imports into the area more than doubled, and exports to outside countries increased by 76 percent. But trade between the CACM countries has jumped from $8.3 million in 1950 to an estimated $82 million in 1964.

Imported breeding stock like this reluctant U.S. calf has helped the CACM countries improve beef production.

Economic conditions

Economic activity rose to a new peak in the CACM countries during 1964. Estimated growth in gross national product ranged from 5 percent in Costa Rica to 6.9 percent in Guatemala. Trade in coffee, cotton, and other important exports expanded under the influence of favorable world prices. Growth of trade among member nations maintained strong incentives for investment in new industries to serve the CACM area.

• El Salvador increased its exports from $154 million in 1963 to $178 million in 1964. Unusually large coffee shipments contributed to this export record. Exports of processed products to other CACM countries also increased, reflecting the growth and development of the country's industry. Imports also reached a record level, $197 million, with significant expansion in capital goods, industrial raw materials, and fertilizers. Although the United States remained the major supplier, imports from other CACM countries assumed greater importance; Guatemala now ranks with Germany as second supplier.

• Guatemala had a continued strong rise in its economy in 1964, supported by increased income from agricultural exports and expanded activity in construction, manufacturing, and wholesale and retail trade. Exports of coffee, cotton, and other important farm products reached a record value of $138 million. However, preliminary estimates indicate that records in both exports and imports resulted in a significant trade deficit during 1964. These estimates also indicate that imports from the United States increased, while exports there declined.

• Honduras improved its trade situation in 1964.Official data for the first 9 months indicate that the country may have ended the year with a favorable trade balance in contrast with its 1963 trade deficit of $18.5 million. Trade with the United States was above the corresponding period for 1963. Total trade with other CACM members also increased. The unfavorable 1963 balance of around $500,000 in that trade had caused some concern, since it was the first such deficit in half a century.

• Nicaragua continued its third year of strong economic growth. Good weather and favorable markets for the principal export commodities contributed to increased foreign exchange earnings, a high level of employment, expanding wholesale and retail sales, and a government budget surplus. Optimism is reflected in new investment plans for agriculture, industry, and transportation.

Data of the Central Bank of Nicaragua indicate that exports established a new record in 1964, with cotton and cottonseed exports predominant, accounting for 51 percent of total foreign exchange earnings. An increase in the value of coffee exports was due to higher prices, for volume was down. Imports were also above those of 1963, the leading categories being machinery and transportation equipment, manufactured items, and chemical products. The latest data available on geographical distribution of trade (May 1964) indicate that 43 percent of Nicaragua's imports came from the United States, and that there was a deficit of $2.3 million in trade with CACM countries.

• Costa Rica benefited in 1964 from increased sugar exports to the United States and expanding exports of industrial products to the CACM countries. Government deficits remained a problem, however, despite some improvement from tax receipts and expenditure controls.

Costa Rican trade data for the first 9 months of 1964 indicated some reduction in the annual trade gap, with a deficit of $7.9 million compared with $21.4 million in 1963. Coffee, sugar, bananas, and beef accounted for the biggest export gains among agricultural products. Among imports, foodstuffs, capital goods, and semimanufactures gained significantly. A comparison of the first 9 months of 1964 with the year 1963 indicates a decline in the U.S. share of Costa Rican imports and a rise in trade with other CACM countries and Panama.

Status of agriculture

For CACM as a whole, agriculture is still the principal economic activity; and the status of agriculture at any given time is largely determined by the size of the chief commercial crops and by the output of beef.

Coffee crops are expected to be good in Honduras and Nicaragua in 1964-65, but they may be offset by poor crops in Costa Rica and Guatemala, where weather and insects have reduced the crop. In El Salvador this is the low year in the coffee production cycle, so output is estimated to be somewhat lower than last year. For the area, coffee production is expected to be down by 9 percent from 1963-64 output of 339,000 metric tons.

Above, Guatemalan coffee being dried; left, Costa Rican bananas being harvested—two major CACM export products. Central America's farm exports help finance its industry.

Banana production in the Pacific zone of Costa Rica reflected the effects of extreme dry weather in the small size of the fruit and its slow maturity. However, the plantings of Giant Cavendish on Costa Rica's Caribbean coast are showing greater promise, and further expansion is contemplated under programs whereby the fruit company contracts to buy the output of independent growers.

In Guatemala, fruit company operations on the Pacific slope were discontinued, but plans have been announced for expanded operations on the Caribbean side, where 16,000 acres of a variety resistant to Panama disease are to be planted. Investment in this expansion program has been estimated at $12 million. In Honduras, where the fruit companies are also expanding their acreage of disease-resistant varieties, banana production is promising. There has also been an appreciable increase in production by independent growers. Area exports for 1964 were estimated at 835,000 metric tons, 14 percent above 1963.

Cotton production in the CACM area is concentrated in El Salvador, Guatemala, and Nicaragua, with minor quantities produced in Costa Rica and Honduras. The rise in area and production of cotton during the past 15 years has been a major development in the region. Even in the 4 years of the CACM's existence, acreage has increased by 71 percent and production by 87 percent. Agricultural development planners in Central America foresee a continued dramatic increase in cotton acreage for 1965 and 1966 with some slowdown in growth thereafter. For the current year, area production is estimated at 277,000 tons.

Sugar quota increases by the United States have proved a windfall for the CACM countries in recent years. Expansion of the production of sugar for export has helped to lessen the area's dependence on coffee and bananas for most of its foreign exchange. Of the five countries, only Honduras has been a net importer of sugar, but it has now reached self-sufficiency. With expanded acreage and good weather throughout the area, a record 1964-65 output of 480,000 tons is anticipated.

Beef production and exports have risen for the area as a whole, owing to the improvement and expansion of cattle herds, a policy held and practiced by the individual CACM countries. In 1964, estimated beef production in the CACM countries totaled 150,000 tons, of which approximately 25,000 tons were exported. Because of these larger exports of beef, average annual per capita consumption of beef has dropped; but that of milk has risen as better animal husbandry has increased the supply.

Agriculture's problems and outlook

At a recent meeting of the Central American Ministers of Agriculture, considerable progress was noted in the area's agriculture during the past 15 years. Important examples cited were the emergence of cotton and meat as important export commodities and the expansion in coffee. The establishment of essential agricultural institutions, improved agricultural technology, the development of irrigation systems, and colonization projects also contributed to agricultural development.

But the delegates also noted deficiencies in the agricultural sector. The area has not realized its full potential in diversification of export crops. For example, in 1962 foreign sales of coffee, bananas, cotton, and their by-products still accounted for nearly 75 percent of total exports compared with 80 percent in 1950; and agricultural products accounted for 88 percent of total exports from member countries to markets outside the CACM area. However, a trend toward diversification of these agricultural exports is indicated by increased trade in sugar, beef, and chicle. Other export crops that are somewhat promising are tobacco and rubber.

Among proposals that the Ministers' meeting highlighted for early action were the development of sound, regionally coordinated plans for agriculture, free movement of agricultural labor throughout the area, a common policy on export commodities, areawide free trade in food grains, and greatly expanded grain storage facilities.

The output of basic food crops such as corn, rice, sorghum, and beans is still characterized by low yields and an inefficient marketing system. While the area has the potential for achieving self-sufficiency in these food commodities, it probably will continue to import significant quantities of grain, particularly wheat, from outside.

The Foreign Market for U.S. COTTON in 1964-65

Exports of U.S. cotton for 1964-65 (August-July) are now estimated at 4.5 million running bales—down about one-fifth from the relatively high level of last season. At this level, U.S. shipments will represent about 26 percent of the world trade in cotton, compared with 32 percent in 1963-64 and an average of 33 percent for the most recent five seasons.

Exports of cotton during August-January of the current season amounted to 1,973,000 running bales, compared with 2,736,000 during the same months in 1963-64. In 1962-63, when cotton exports totaled 3.4 million bales, shipments in the first 6 months were 1,352,000 bales.

Through March 12, 1965, around 2.3 million bales had been committed for export during the 1964-65 marketing year under the CCC export sales programs. This included 1.3 million bales on which export proofs had already been received, about 0.5 million sold under the competitive bid system, and 0.5 million under the 1964-66 credit and barter programs.

As of the end of February, funds used or available under special government programs for financing cotton exports in fiscal 1965 totaled about $190 million. If completely used, these funds would finance the export of 0.8 million bales of cotton through Public Law 480 programs and 0.6 million through Export-Import Bank loans. Additional funds may be made available during the remainder of the year for financing under the special export programs.

The decline in U.S. cotton exports this season, coming in the face of a record high consumption of cotton in foreign countries, is attributed to a combination of factors, including (1) the availability of larger exportable supplies in many foreign producing countries, (2) a moderate reduction in raw cotton stocks in some major importing countries, and (3) noticeably smaller Communist purchases from the Free World.

Foreign consumption at high level

Consumption of cotton outside the United States is estimated at 40.6 million bales for 1964-65. This compares with 38.9 million bales in 1963-64 and an average of 38.1 million for the most recent five seasons.

In the foreign Free World, net exporting countries are expected to consume about 6.1 million bales this season—0.3 million, or 5 percent, more than in 1963-64. Above-average increases are likely in Argentina, Brazil, Colombia, and Egypt.

Cotton consumption by net importing countries of the foreign Free World is estimated at 18.9 million bales—up 0.5 million from 1963-64 and over a million from the average of 17.8 million for the last five seasons. Substantial gains in cotton consumption are expected in India and Japan this season. In Western Europe, however, total consumption is likely to be down slightly, with small increases in the Netherlands, Austria, and the United Kingdom offset by reduced offtake in Belgium, Denmark, France, Italy, and Spain.

Cotton consumption in Communist countries is estimated at 15.6 million bales in 1964-65, compared with 14.7 million in 1963-64. Most of this expected increase is in Mainland China, where the harvest of a large crop this season will allow that country to increase textile output beyond the restricted level of the last few years.

Larger exportable supplies abroad

Despite rising consumption in a number of foreign producing countries, bigger harvests in 1964-65 are expected to result in considerably larger exportable supplies than in 1963-64.

Foreign Free World producers, which generally export virtually all of their annual production except for that consumed locally and required for minimum stock maintenance, are forecast to have 11.1 million bales available for export in 1964-65—an increase of 0.5 million from a year earlier and the highest on record. Countries likely to have bigger exportable supplies than in 1963-64 include Mexico, Peru, all of Central America, and many countries of Africa, especially Egypt. On the other hand, exportable supplies are expected to be down somewhat in Argentina and Brazil because of increased domestic consumption, in Greece and Pakistan because of smaller crops, and in Sudan because of a poor crop in 1963-64, which depleted stocks in that country.

The USSR, the only major exporting country of the Communist world, may ship about 1.6 million bales in 1964-65, compared with 1.5 million estimated for last season. Cotton exports from the USSR go mainly to countries of Eastern Europe.

Importing countries reduce stocks

Most importing countries of the foreign Free World have kept their purchases of raw cotton below the level of mill consumption this season, with the result that many now have stocks that are lower than those on August 1, 1964. This trend is expected to continue during the remainder of the season and result in a total stock reduction in these countries of at least 0.4 million bales.

About half of the stock reduction will be in Western Europe, where much stock replenishment took place just prior to the August 1, 1964, change in the U.S. export program for cotton. In anticipation of the slightly higher price for U.S. cotton under the new program, West European countries greatly increased their June and July imports of U.S. cotton; and as a result, that area concluded the 1963-64 season with stocks about 300,000 bales above those at the beginning of the season. There have been signs of a slowdown of textile activity in some of these countries, but, in general, mill consumption remains at a relatively high level.

Most of the balance of the expected reduction in raw cotton stocks is in India. A smaller crop, coupled with an unprecedented high rate of domestic consumption, may result in an end-of-season stock level that is nearly 200,000 bales below a year earlier, despite a moderate increase in imports.

Communist purchases lower

U.S. exports to Communist countries account for only a minor volume of total U.S. shipments of cotton. However, purchases of cotton by the Communists in other Free World markets have a direct effect on the export potential for U.S. cotton. In recent years, Free World exports to Communist countries have risen sharply, reaching an esti-

mated 2.4 million bales last season, compared with 1.8 million in 1962-63 and 1.3 million in 1961-62.

Although statistical information is limited, it appears that net purchases of cotton by Communist countries this season will not reach the high level of 1963-64. Free World exports to these countries, especially the USSR and Mainland China, thus far this season have been substantially lower than for the same period a year earlier. In view of the reported increase in Chinese production, from 4.7 million bales in 1963-64 to 5.7 million in the current season, it is expected that purchases by that country will continue smaller throughout the 1964-65 season and that its total imports will be considerably below the 0.8 million of a year ago. Net imports by all Communist countries in 1964-65 are currently forecast to take approximately 2.0 million bales.

World cotton prices rising

Prices of most qualities of U.S. Upland cotton on world import markets in January were from 0.50 to 0.75 cent a pound above those of a year earlier and since October have been trending upward, a partial reflection of the addition of carrying costs to CCC selling prices. Prices of foreign growths that are directly competitive with U.S. cotton are also rising and are remarkably close to U.S. levels, with some foreign countries shading prices just enough under U.S. values to move their supplies.

U.S. EXPORTS OF COTTON
(Running bales)

Destination	Year beginning August 1				
	Average 1955-59	1962	1963	August-January 1963	August-January 1964
	1,000 bales	*1,000 bales*	*1,000 bales*	*1,000 bales*	*1,000 bales*
Austria	33	13	23	8	6
Belgium-Luxembourg	160	72	176	71	51
Bulgaria	0	0	19	0	0
Denmark	17	13	16	7	3
Finland	22	13	10	7	5
France	360	180	380	194	115
Germany, West	475	101	401	251	154
Hungary	0	0	18	0	0
Italy	416	192	441	198	177
Netherlands	124	71	127	71	31
Norway	10	10	14	7	7
Poland & Danzig	85	62	132	46	65
Portugal	28	7	35	10	8
Spain	171	(1)	14	2	12
Sweden	75	56	88	49	32
Switzerland	64	37	95	59	49
United Kingdom	525	139	286	137	70
Yugoslavia	108	113	78	4	89
Other Europe	17	3	20	0	7
Total Europe	2,690	1,082	2,373	1,121	881
Australia	54	41	91	44	30
Canada	217	271	448	193	159
Chile	35	24	2	1	(1)
Colombia	33	1	14	6	(1)
Cuba	27	0	0	0	0
Ethiopia	4	15	9	7	0
Hong Kong	134	79	187	82	27
India	184	198	134	152	59
Indonesia	30	51	20	20	47
Iraq	0	0	20	0	0
Israel	16	7	26	5	8
Japan	1,154	895	1,300	667	389
Korea, Republic of	205	236	313	179	134
Morocco	10	8	15	9	5
Pakistan	14	8	8	(1)	1
Philippines	64	108	140	57	27
South Africa	26	19	37	14	22
Taiwan (Formosa)	153	223	189	99	109
Thailand	4	22	39	22	10
Uruguay	15	0	(1)	(1)	0
Venezuela	2	5	12	9	4
Vietnam[2]	2	36	75	39	38
Other countries	27	22	28	10	23
Total	5,100	3,351	5,660	2,736	1,973

[1] Less than 500 bales. [2] Indochina prior to 1958. Includes Laos and Cambodia.

No change in U.S. export payment

The United States announced recently that no change in the current export payment of 6.5 cents a pound is expected before the end of the current marketing year. The announcement further stated that the reduction, from 30 cents to 29 cents, in the price support loan rate for the 1965 crop should lower market prices beginning August 1, 1965, and allow the export payment to be reduced accordingly. The exact amount of the payment will be determined later; however, the announcement stated that present estimates indicate an export payment in 1965 of approximately 5.75 cents a pound.

Canadian Farmers Report Grain-Planting Plans

Canadian farmers intend to plant 5 percent less wheat this year but more feed grains, according to plans revealed in a Dominion Bureau of Statistics (DBS) survey as of March 1.

Wheat acreage will be off from last year's record 29,685,800 acres to an estimated 28,317,900. However, this will still be the third largest acreage in history and well above that in any recent year except 1964.

If farmers follow through on their stated intentions, the biggest reduction will come in durum wheat, acreage of which is estimated to drop 49 percent to 953,600 acres from 1,888,000 grown last year. A great deal of publicity has been given to statements that Canada has some 100 million bushels of durum on hand, or enough to supply usual markets for 4 years without further plantings.

Recent price reductions in Canadian wheat varieties have also apparently induced Prairie farmers to hold the line on spring wheat area. Acreage of this type, excluding durum, may total 26.9 million as against the 27.3 million planted last year. If farmers do not change their minds before planting time, this will be the first time in 8 years that there has not been an increase in Canadian plantings of spring wheat.

As a result of last year's small feed grain area and relatively poor yields, plus a severe winter that has cut into stocks, Prairie Province farmers have declared their intentions to increase plantings of oats and barley by 5 and 12 percent, respectively. The biggest gain, in terms of area, is expected to be in Saskatchewan.

Corn for grain is expected to surpass the record 1964 level by 4 percent. Producers have about reached their limit in Canada's narrow "corn belt"—the Ontario counties of Essex and Kent—and now must move farther out to the periphery in order to find additional room in this area where there is competition for growing space. Corn acreage is expected to rise from 650,000 acres to 674,000 in Ontario and from 10,000 to 10,600 in Manitoba—the only Provinces in which grain corn is grown commercially.

Summerfallow area is expected to decline by 1 percent in the Prairie Provinces, from 26.4 million acres to 26.1 million. This would be 4 percent under the 1959-63 average of 27.2 million acres and the fourth consecutive annual decrease.

—JOHN C. MCDONALD
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Britain's 1965 Farm Price Review Raises Strong Protest

By ROBERT N. ANDERSON
U.S. Agricultural Attaché, London

When British Minister of Agriculture Frederick Peart announced in the House of Commons the 1965 agricultural price review and determination of guarantees, he brought down a storm of protests from the Conservative opposition in the House and from leaders of the powerful National Farmers Unions. These groups—disappointed, as a whole, in the small increase in total 1965 guarantees—were especially critical of the very slight increase in the price guarantee for milk. They also felt that the drop in wheat and barley guarantees was greater than needed.

Pursuant to British policy under a Parliamentary Act of 1947, revised in 1957, the British Government is required each year to review the conditions and prospects of the agricultural industry and determine the level of support which the government will provide for the country's agriculture. These supports are mainly in the form of guaranteed prices for the basic agricultural commodities and production grants (subsidies) designed to improve farm operations. Under the guaranteed price support, except for milk, the government makes up the difference between the average prices received by farmers on the local markets and the government-guaranteed prices.

In making the review, the government is required to consult also with leaders of farm organizations—the National Farmers Unions. If agreement cannot be reached with the farm leaders, which is often the case, the review may be imposed by the government. The present review was imposed.

Emphasis changes in 1965

The review this year was the first to be made by the new Labor Government since its election by a very narrow margin last October; therefore, it is not surprising that this year's annual review took on a somewhat different character from that of a year ago when the Conservative Government was faced with an election. This is especially true in view of the government-avowed policy to give more consideration to lower income groups by holding the line on consumer prices and at the same time minimizing government expenditures.

The main difference in the 1965 review and those of recent years was in the emphasis that was given to the need for revising the agricultural structure. Minister of Agriculture Peart mentioned especially additional grants under the Small Farmers Scheme, grants to hill farmers, and encouragement of farmers to keep more careful records. With a view to improving the marketing system, urgent consideration of a Meat and Livestock Commission will be given, and the new cereals marketing authority will begin operations with the 1965 harvest.

Provisions of review

The review provided higher guaranteed prices for milk and beef and reductions in those for wheat and barley. There were also small increases for potatoes and sugarbeets but a reduction for eggs. No changes were made for fat sheep and wool. A change in the mechanism for pricing hogs will probably result in a slight increase in returns to the producers. Subsidies on fertilizers and lime were reduced.

On balance, it is expected that this year's review will give farmers an additional income of about £10 million. Farm leaders maintain that this increase is disappointingly low, especially since they have been working to raise substantially farm incomes.

Last year leaders of the National Farmers Unions demanded an increase of 25 percent in farmers' incomes over the 3-year period up to 1967. Net farm income last year increased by £63 million over the 1962-63 level as a result of increased production and higher returns from the favorable review for 1964. Of this £63-million increase, £31 million came from the favorable terms of the 1964 review, which farm leaders accepted as attaining the first step in their 3-year goal.

The award this year of £10 million is only about a third of what the farm leaders feel is necessary for the second stage of their planned program to give farmers a more equitable share of the national income.

Milk guarantee considered low

The greatest disappointment to the farmers was the award of only 1 penny, or about 2 percent additional payment per gallon of milk.

Farm leaders maintain that the low price received by farmers for milk and the increased costs of production will cause a further reduction in dairy cattle numbers and in the number of farmers engaged in dairying. This, they say, would jeopardize the supply of milk to consumers.

On the other hand, the government maintains that the rather large increase in the price of milk made in the 1964 review has now stabilized, and dairy cattle numbers are no longer decreasing. It suggests that a substantially higher price again this year would stimulate production, resulting in possible surpluses.

Undoubtedly the government was also influenced by its desire to prevent increased prices to consumers. The guaranteed price for milk is attained through the price received from the consumers and not from Exchequer payments. The award will result in an increase in the retail price of only 0.5 penny per pint, or 5 percent, to 9.5 pence. The program is operated through the Milk Marketing Board.

Drop had been expected for grains

It was generally expected that there would be some decrease in the guaranteed prices for wheat and barley, particularly because production has been rising and is believed to have been relatively profitable the last few years. Last year's production amounted to 3.6 million long tons of wheat and 7.4 million tons of barley, compared with the previous 3-year average of 3.3 million tons of wheat and 6.5 million of barley.

Also, the government payments to make up the guaranteed prices for grains have amounted to about one-fourth of the total government outlay for agriculture. It was obvious that the government would wish to reduce this drain on the Treasury.

Then too, the Cereals Agreement, which the Conservative Government negotiated with supplying countries last year, provided for a sharing of the British market between

domestic production and imports by using as a basis the 3-year average prior to the agreement. The agreement set up floor prices for imports to protect the local market and obligated the government to take necessary steps to adjust local production so that imports as a whole would receive their fair share of the market.

The cut amounted to 4.1 percent in the guaranteed price for wheat and 5.4 percent in that of barley. Although the Act of 1957 provides that prices may not be reduced by more than 4 percent for a particular commodity in any one year, this larger reduction was made possible by an increase in the amount of the standard quantities. The standard quantities are stipulated levels of production on which the government pays the full amount of the guarantees. In other words, the government made the maximum adjustment possible under the act for barley; and for wheat, it was very close to a maximum reduction.

Through its reduction on the guaranteed prices for wheat and barley, the government has indicated its intentions to implement its obligations under the Cereals Agreement. Since the Conservative opposition party, and also the National Farmers Union leaders, have shown active interest in the successful operation of international agreements, it is doubtful that protests regarding these findings will be very strong. British officials have pointed out that the Cereals Agreement could be used as a model for a grains agreement in the Kennedy Round and the present findings may be helpful in this respect.

Cuts too large, say farmers

Farm leaders, however, maintain that the decrease in the guarantees for wheat and barley were much more severe than needed. They cite also the great saving in foreign exchange which has been brought about by the increased production of local grains, maintaining that there was a saving last year of about £35 million.

In spite of the reduction in the guaranteed prices, it is not likely that this year's production of local grain will be greatly affected. Plantings of wheat have already been virtually completed, while barley has either been planted or preparations for the plantings are so far advanced that farmers are not likely to make changes this year.

Food Has Loomed Large in U.S. Foreign Assistance Programs

Food is making up an increasingly important part of U.S. foreign economic aid programs.

Between the fiscal years 1953 and 1961, food shipments represented 24 cents of each U.S. aid dollar—$6.7 billion out of the $28.0 billion expenditure for the period. "Food", shipped largely under the authority of Public Law 480, includes some cotton and tobacco.

Since 1961, however, the food proportion has risen to 34 cents of the aid dollar—$5.1 billion out of $14.8 billion.

For Hong Kong, 100 percent of U.S. economic assistance in the 1962-64 period was in the food category. For Algeria, food represented 98 percent of total assistance; for the United Arab Republic, 83; and for Taiwan, 75. For India, however, which is now receiving more U.S. economic aid than any other single country, the food percentage was only 39—just a little above the average for all recipient nations.

The summary has some geographic surprises when the entire 1946-64 period is studied from the standpoint of total economic aid.

Of all the major areas receiving economic assistance since 1946, Europe received the largest share—$30.1 billion. Leading recipients: The United Kingdom, $7.7 billion; France, $5.1 billion; Western Germany, $4.0 billion; Italy, $3.8 billion; Yugoslavia, $1.9 billion; and the Netherlands and Spain, $1.2 billion each.

Other areas benefited as follows: *Near East and South Asia*, $15.8 billion. Leading recipients: India, $5.2 billion; Pakistan, $2.6 billion; Turkey and Greece, $1.9 billion each.

Far East, $15.5 billion. Leading recipients: Korea, $3.8 billion; Japan, $2.8 billion; Taiwan, $2.2 billion; Viet Nam $2.1 billion; the Philippine Republic, $1.4 billion.

Latin America, $8.4 billion. Leading recipients: Brazil, $2.3 billion; Mexico, $914 million; Chile, $893 million; Argentina, $653 million; and Colombia, $611 million.

Africa, $2.7 billion. Leading recipients: Morocco, $451 million; Tunisia, $397 million; Congo (Leopoldville), $276 million; Libya, $205 million; Liberia, $190 million; Ghana, $163 million; Ethiopia, $131 million; and Nigeria, $125 million.

The heaviest aid outlays in Europe were made in the years following World War II, as the United States helped the area with its enormous reconstruction job. Between 1946 and 1948, U.S. aid to Europe totaled $10.4 billion; and between 1949 and 1952 it amounted to $13.7 billion.

The $30 billion in aid to Europe, of which $13 billion represented "Marshall Plan" expenditures, has turned out to be an excellent investment for the United States in terms of trade. The economic growth engendered by this aid is supporting a vast European market for U.S. goods of all kinds.

U.S. merchandise exports to Europe in the fiscal year 1964 had a value of $10.2 billion—40 percent of total merchandise exports of $24.6 billion to all destinations. U.S. farmers, in particular, have benefited from the European prosperity U.S. aid dollars have helped to create. Agricultural exports to Europe in fiscal 1964 had a value of $2.6 billion out of a world agricultural export total of $6.1 billion.

The $2.8 billion of economic aid to Japan also has benefited U.S. trade. In 1964 the United States sold Japan $1.8 billion worth of goods, of which $742 million was agricultural.

Economic growth is coming slowly to many countries of Asia, Africa, and Latin America. But some growth, however slow, can be noted almost everywhere.

The overall economic aid total for the 1946-64 period amounted to $77.0 billion.

Repayments of $11.2 billion have been made on the $29.8 billion portion of assistance extended in the form of loans. The remainder—$47.2 billion—was in the form of grants.

Military assistance over the 1946-64 period totaled $33.4 billion.

Economic and military outlays combined brought America's overall assistance total to $110.4 billion.

—AGENCY FOR INTERNATIONAL DEVELOPMENT (AID)

Mexico—top, Foundation scientist instructs group in pollination of wheat, and right, student researcher tests weight gain of sheep.

How Agricultural Research Is Helping Latin America

Scientific programs backed by the Rockefeller Foundation are boosting output of basic foods in Mexico, Colombia, and Chile.

Since 1943 the Rockefeller Foundation has been aiding the campaign against hunger in Latin America, using as its principal tool research in the agricultural sciences.

Mexico was the first country to benefit. There the program took shape when the Mexican Government asked the Foundation for help in improving the production of its basic food crops. So successful was this program that it brought invitations to set up similar projects in other countries, and between 1950 and 1956 cooperative arrangements were made with Colombia and Chile.

Each of these programs was designed to help solve food production problems through applied research and through the adaption of existing techniques and plant materials to local conditions. As part of this research effort the Foundation helped to establish well-equipped experiment stations in the main farming areas of the host country and to train their agriculturalists in modern methods.

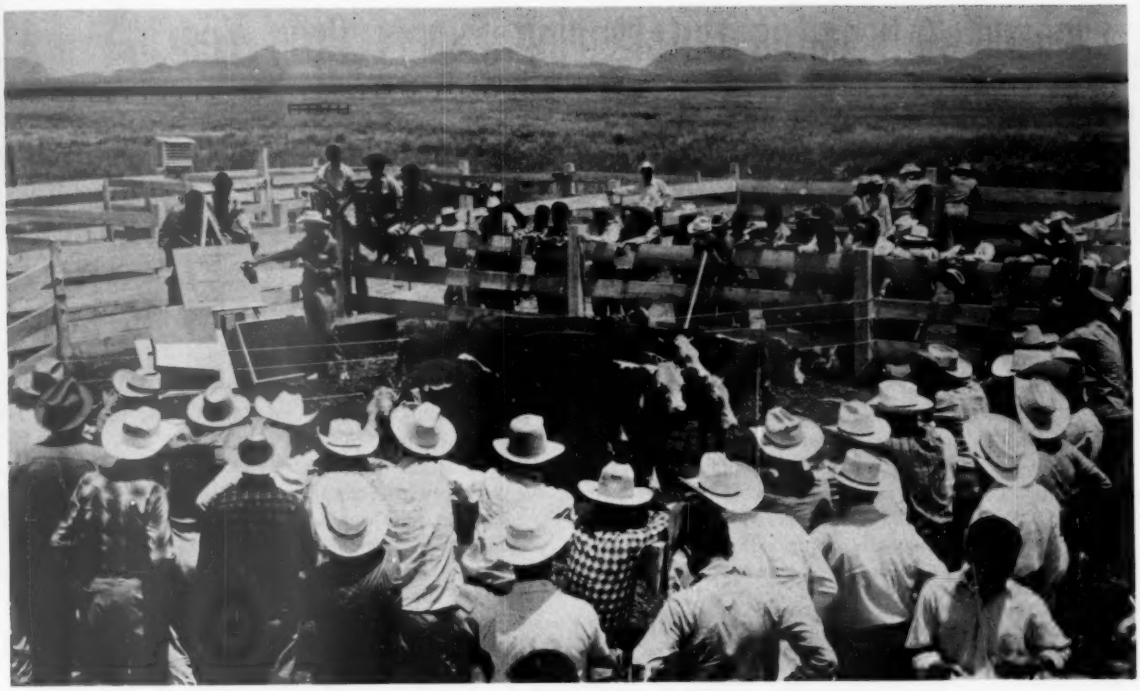
When the program started in Mexico an attack was made on the problems responsible for the annual deficits in such major crops as corn and wheat, and later was expanded to include work on potatoes, beans, feed, and forage crops. The country can now satisfy its requirements for these crops and is entering new areas of enterprise.

Construction started last year on an agricultural complex at Chapingo, near Mexico City, which will become headquarters for the National Institute of Agricultural Research, for the Graduate School of the National School of Agriculture, and for the federal extension service. When completed, this facility—for which funds were also provided by the Ford Foundation and the World Bank—will extend its influence beyond Mexico's borders.

In Colombia, historically a cattle country, part of the Foundation's scientific work has centered on the control of animal diseases. Of the 19 research sections within the country's Division of Agricultural Research, six deal with animal husbandry and veterinary medicine; 11 work on the improvement of food plants; and two are general in nature. As in Mexico, various agricultural activities have been consolidated into a new entity, the Agricultural Institute of Colombia, administered and staffed by professionally trained Colombians.

The Foundations' cooperative unit in Chile, which started work in 1955, has concentrated on the improvement of wheat and on studies of pasture grasses and legumes as a basis for increasing livestock production. Excellent experimental stations now serve the country's main agricultural regions. Two new ones, finished last year at Temuco and Santiago, furnish the base of Chile's recently formed National Agricultural Research Institute. Here locally available feed supplements are being studied, as experiments have already shown that Chile's meat deficit could be eliminated if only one-thirtieth of its pasture area was improved.

As important as the scientific work done in the Foundation's cooperative programs are the results that have flowed from the linking of research to training. For one, the corps of well-trained professional agricultural scientists in the host countries has steadily grown. In Mexico, and gradually in Colombia and Chile, they are taking over the projects and administering them. For another, accumulated research results, translated into terms which farmers could understand, have had tremendous impact on the yields of basic food crops in the countries concerned.



Mexican cattlemen gather for field day at experimental ranch, where they learn firsthand new scientific methods. (Photographs and data, courtesy Rockefeller Foundation)

Chile—checking a seed increase plot of ladino clover, a forage crop important for livestock improvement.

Colombia—left, test plots of rice at Notoima research station, and below, blood is taken from an ailing calf to study effects of Altitude Disease.

Thailand Anticipates Outstanding Export Crop Year

This year, Thailand expects to match or surpass some of its agricultural attainments for 1964, when it replaced Burma as the world's leading rice exporter, and broke its own records in corn and soybean shipments.

By year end, 1964, Thailand had experienced another good crop year, in spite of some damage to rice from September and October floods. Most other crops had benefitted from the added soil moisture, however. The rice harvest, earlier estimated at 10 million tons paddy, was reduced to 9.8 million tons or less, as the crop failed to recover from the floods.

Though world prices were lower, on the whole, the volume of Thai farm exports was larger. Unprecedented exports of rice and corn reached 1.83 million metric tons, milled, and 1.1 million tons, respectively. Tobacco, kenaf, and tapioca products exported exceeded 1963 levels.

Thus, foreign exchange earnings from farm crops in 1964 were up sharply; this has been an important factor in helping to reduce the trade gap.

1965 Outlook for rice

Thailand's government is now considering a program to subsidize fertilizer for use on rice land, in the conviction that only yield, and not area, can be increased. (Efforts have been directed toward producing a second or irrigated rice crop during the dry season, but before rice can thus be grown out of season, much study is needed.)

Since this is the basic Thai crop, it is urgent for producers to receive adequate returns. Perhaps through the proposed fertilizer subsidy plan, perhaps through manipulation of the export premium to make higher farm prices possible, or some combination, this objective may be reached. The government is cognizant of the situation and may take positive action in 1965.

Meanwhile, it is reasonable to expect a 1965-66 rice harvest of around 10 million tons paddy. This should feed the Thais well and still permit exports of at least 1.5 million metric tons of milled rice. Carryover from the 1963-64 crop may increase or decrease this estimate.

Prospects for other crops

For 1965, production of corn, sugar, flue-cured tobacco, cotton, and kenaf is expected to increase, to greater or lesser degree. Output of tobacco, especially, may be up as much as one-third, as the export market develops. Increased spindleage in cotton mills will permit factory consumption of more cotton. Nevertheless, the problem of quality domestic production remains, and will not be sufficiently resolved during the year to take full advantage of the opportunity.

Corn. If rainfall is favorable throughout the spring a crop up to 1.25 million metric tons can be expected, with a calendar year export of around 1 million tons.

Kenaf. With six bag factories now operating with total capacity of 54 (estimate—actual 40) million pieces, and with three under construction with an output of 20.5 million bags, a domestic market for 50,000 metric tons of kenaf will soon be available to Thai farmers. If exports reach 180,000 tons in 1965, the outlook is for production of kenaf to be around 200,000 tons for the calendar year. Carryover is expected to be much below average. However, much depends upon price, which should probably not fall below 7.5 U.S. cents per lb. (3.50 baht per kilo) if production is to be maintained.

Oilseeds. These include castorbeans, soybeans, and peanuts. Production of these for 1965 may reach 48,000, 41,000 and 130,000 tons, respectively. Exports, too, are likely to be higher in 1965, especially of castorbeans and soybeans, thus adding to foreign exchange earnings.

Sugar. The prospect is for output of over 200,000 metric tons of centrifugal sugar. With domestic consumption expected at 125,000 tons, Thailand will be looking for a foreign market of about 85,000 tons this year. Japan is expected to take 40,000 to 50,000.

Tobacco. Production of leaf is expected to increase markedly in 1965. Though output of native sun-dried tobacco will show only about 5 percent increase, that of flue-cured will probably jump by one-third to reach a total of 12,000 metric tons. Increased cigarette production and larger foreign sales will account for these rises.

Cassava products. Output will face continued problems of reduced yields and of a cost-price squeeze. Whether or not exports will reach the high levels of 1963 and 1964 is uncertain, with the European Common Market tariff walls an important factor. U.S. imports of cassava flour from Thailand have been decreasing, and this outlet will probably continue to contract.

These are the principal export commodities; however, less important contributors to foreign exchange earnings, such as pulses, kapok, and cattle can be expected to show improved performance, if foreign demand exists.

—S. H. WORK
U.S. Agricultural Attaché, Bangkok

Japan May Curb Imports of Corn for Starch

Japanese legislators early in April were debating a bill that would restrict imports of corn for use in the manufacture of cornstarch.

The bill was introduced late in March by Diet members from sweetpotato-producing areas who felt that growers in their districts were suffering from the strong competition between the sweetpotato starch and cornstarch industries.

Reports are that the bill would set a quota on corn imported for starch making. Amounts sufficient to produce 180,000 metric tons of cornstarch (approximately 275,000 to 300,000 tons of corn) would enter at the present 10-percent duty rate. Any imports beyond this level would be assessed at a rate of 25 percent.

According to trade reports, Japanese cornstarch makers could not pay the 25-percent duty and still continue to operate at a profit.

In 1964, Japan imported an estimated 270,000 tons of corn for starch processing. Because of a rapid expansion in capacity late that year, trade sources estimated that imports in 1965 would rise to between 375,000 and 400,000 tons. However, under the quota-duty system as proposed, it is doubtful that these imports would exceed 300,000. Last year, when Japan's 1.6-million-ton imports made it the second largest U.S. corn customer, corn for starch constituted about a sixth of the total. —J. D. MINYARD
Assistant U.S. Agricultural Attaché, Tokyo

U.S. an Important Market for German Peat Moss

Peat moss, favored by gardeners as a soil conditioner and mulch, has a big market in the United States. Much of it is supplied by our own Northern States, and another big share comes from Canada. Still in demand, though, because of its high quality is the peat moss shipped here from West Germany.

West Germany is currently the United States second largest foreign source for peat moss, supplying some 12 percent of this country's import market against Canada's 80 percent. While its shipments to the United States have been rather constant since 1961, totaling around $1.4 million worth annually, West Germany has experienced over the years a gradual loss of the U.S. market.

Germany loses as Canada gains

Today, only about a fifth of West Germany's total peat moss exports are shipped to the United States compared with close to 90 percent a decade or so ago. Around 1955, West Germany was accounting for half of the U.S. peat moss imports and earning from them close to $4 million a year. But at that time Canada, whose commercial peat industry had just begun to grow, started moving up as a competitive supplier. Subsequent expansion in the Canadian industry and in its exports contributed to West Germany's further loss of position. Also, a substantial rise in ocean freight rates apparently made it less profitable for the Germans to export peat moss to this country.

Remembering their past successes in the U.S. market, members of the German peat moss trade feel that a well planned and conducted promotional campaign here could substantially increase their market share. Some hopefully predict that peat moss exports to the United States could be doubled in the next 5 or 10 years. They base some of these predictions on earlier promotional campaigns—in the Twenties and again in the Thirties—which helped to up their U.S. market share substantially.

Below, baled peat for export, much of which may go to the U.S. Right, a peat-cutting machine.

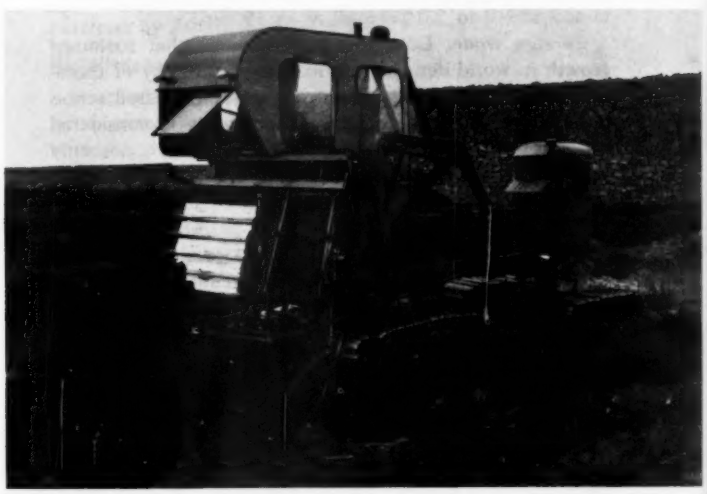
How moss is used

The German peat is of the genus *Sphagnum* and virtually all of that exported to the United States is of a quality high enough for agricultural uses. (Much peat moss serves as fuel in the producing areas.) In the United States, German peat moss is used to improve the soil's consistency—to make clay soil less compact and more friable and to increase the water-retaining ability of sandy soil. It is also beneficial as a mulch, especially for shallow-rooted, acid-loving plants like azaleas.

Main German producing region is the State of Niedersachsen (Lower Saxony), which contains more "economic-use" peat (at least a foot thick) than all the rest of Germany combined. Most *Sphagnum* peat is dug and processed near the West German-Holland border, between the Ems and Weser Rivers, where it reaches depths of 30 to 40 feet. Principal port of export is Bremen.

—RUSSELL J. HUDSON
Agricultural Officer, Hamburg

Below, field-drying of peat slabs. Peat is a large export for the State of Niedersachsen. (Pictures were supplied by the Deutsche Torfhandelsgesellschaft, Ltd.)



Canada's Economic Council Reviews Nation's Goals

Canada shares with other nations a concern over problems of economic growth and unemployment. For this reason, the Canadian Parliament established, in 1963, the Economic Council of Canada to advise on medium- and long-term development of the economy. The objectives were full employment, a high rate of economic growth, reasonable stability of prices, a viable balance of payments, and an equitable distribution of rising incomes.

(Goals for expanded growth in Canadian employment and output could have an important effect on U.S. trade in agricultural products. In 1963, with recorded purchases of $597 million, Canada ranked second as a market for U.S. farm commodities. It is also a major U.S. competitor in world grain markets.)

The first annual review published by the Council, "Economic Goals for Canada to 1970," examines the economy's performance since World War II and considers its potentials to 1970, develops performance targets, and attempts to draw conclusions on problems and policies involved. Some highlights follow:

Employment. Canada's rate of labor force growth exceeds that of any industrially advanced nation in the Western World. To provide for a 2.7 percent annual rise in the labor force, and reduce unemployment to 3.0 percent, economic goals call for 3.1 percent annual increase in total employment or nearly double the present rate.

Consumer demand. The nature of employment and output in 1970 will be influenced by anticipated changes in domestic demand for goods and services. The potential output target, estimated at $57.9 billion in 1970, implies an annual rate of growth in real per capita income of 3.3 percent. The compounded rate of annual increase in consumer spending for durable goods and services is projected at near 6.5 percent compared with a 3.6-percent rise in spending for food, clothing, and other nondurables.

Investment, savings, prices. Total private and public investment is calculated to increase from $8.6 billion to $15.6 billion, an annual increase of 8.9 percent per year. Continuation of the current rate of private savings, estimated near 20 percent of gross national product, is considered adequate. Reasonable price stability is considered essential, with advances in prices and costs maintained at 1.0 to 2.0 percent, as in 1956-63.

Foreign trade. Economic goals assume that sustained growth in world demand and increased efficiency of Canadian producers and exporters will provide increased access to world markets. A large rise in exports is considered necessary to attain the potential output target, not only as a basis for expanded output but to finance rising imports and to avert growth-inhibiting balance-of-payments deficits.

Economic growth. A projected 5.5 percent annual rate of economic growth would combine the product of the expanded force of workers with a 2.4 percent annual rise in output per person, from 1963 to 1970. In agriculture, a gain of 2.9 percent annually in output per employed person would be partially offset by a decline in farm employment. This would result in a net increase annually in agricultural output of 0.5 percent, compared with 5.9 for the nonagricultural sector.

Projected changes in national output and spending are:

	1963	1970
	Bil. dol.	*Bil. dol.*
Gross national product	39.8	57.9
Gross national expenditures:		
Consumer	25.2	35.6
Government	7.5	10.5
Private fixed investment	6.9	12.9

In line with recent trade trends, a rise in agricultural exports from $1.4 billion to $1.5 billion and of nonagricultural exports from $4.9 billion to $7.6 billion, between 1963 and 1970, is projected. An increase in imports, from $6.5 billion to $9.5 billion, during this period, implies a small deficit in merchandise trade.

Potential growth of Canada's gross national product indicates continued economic interdependence between the two countries (the U.S. and Canada), with strong implications for U.S. agricultural trade. The increased rate of economic growth depends, to some degree, upon Canadian wheat exports remaining near their current high levels. More important, it should contribute to strong growth in Canadian demand for feed grains, pulses, fruits and vegetables, cotton, tobacco, fats and oils, meat, and dairy and poultry products.

"Economic Goals for Canada to 1970" may be obtained from Queens' Printer, Ottawa Can$3.50 (U.S.-$3.24).

Japanese Use of Wheat Products Rising

The Japanese Government's efforts to promote consumption of wheat products may be slowly paying off, as use of wheat products for food is now rising about 4 percent a year.

Market development work carried on by U.S. wheat-producer organizations is supporting the efforts of the government and encouraging the greater use of U.S. wheat.

The government's policy is based on the desirability of reducing the heavy demand for rice and thus allowing more flexibility in management of the country's total food supply. In pursuance of its goal, the government raised consumer prices of rice about 15 percent on January 1. And now it is trying to prevent a proposed 14-percent increase in bread prices.

For the first time on record, durum wheat is being imported. Trial lots of 700 tons each, bought from Canada and the United States, are due for April delivery and testing in three new semolina flour mills. If satisfactory, durum imports will be stepped up to possibly 50,000 tons a year providing it is available at competitive prices.

Demand for macaroni and spaghetti products has been increasing. But manufacture of many wheat products in Japan is fairly new, and know-how is not developed enough to permit major changes in types and sources of wheat imports without possible adverse effects on processing and quality of finished products.

Total wheat imports set an alltime record for a single month in February when purchases ran 631,696 tons: 318,400 tons from Canada, 263,186 from the United States, 50,110 tons from Australia.

Japan's Feed Grain Boom Shows Signs of Slackening

Japan's annual million-ton increase in mixed-feed production that started a few years ago appears to have slowed down in calendar 1964.

At an estimated 6.2 million metric tons in 1964, the upward trend in commercial mixed-feed production continued, but the annual increase was only 400,000 tons above the 5.8 million produced in 1963. The slowdown in 1965 may be even sharper.

Why the slackening? Low egg prices are the basic reason. Poultry feeds account for most of the mixed feeds produced—about 75 percent of the total. About 85 percent of this volume is for layer flocks and replacements. Egg prices to producers are now reported below production costs, and small and inefficient producers cannot meet feed bills. So, with the current "crisis" in the industry, little expansion in poultry feed can be expected in the near future.

Some increase, however, is expected in beef-cattle feeds and hog feeds, as meat prices are good enough to encourage production and increased feeding. Dairy feeds, slightly less than 10 percent of the total mixed-feed usage, are expected to show little change.

Imports continue strong

Imports of mixed-feed constituents in 1964 reflected the overall rise in mixed-feed production, as volume increases continued to be registered for corn, grain sorghums, feed barley, wheat bran, alfalfa meal, and various oilseed meals.

Several highlights emerge in the import picture:

- New records were set for corn and feed barley (the latter imported for the first time in 1963).
- Argentina actively entered the Japanese market for grain sorghums and stepped up shipments of wheat bran.
- Threat of the U.S. dock strike and strong Argentine competition cut the U.S. share of some purchases; but reduced availabilities of corn in Thailand and the Union of South Africa enhanced the U.S. share of corn imports.
- Imports by commodity showed sharp fluctuations because Japanese feed makers do not hesitate to change formulas to fit the price situation.

Corn imports the largest

Japan imported a record 3.2 million metric tons of *corn* in 1964. Purchases from the United States were 1.5 million tons—also a new high—and about half of the total.

Imports in 1965 are expected to rise slightly but will be influenced by the U.S. dock strike and the outcome of a proposal to increase the import duty on corn for industrial use from 10 percent to 20 percent. Corn for feed is duty free.

The tariff-increase proposal on corn for industrial use stems from protests by the potato starch industry. Trade sources doubt that the proposal will be passed, but some Diet members are pushing it. No official action on this proposal has been taken as yet.

How the other grains fared

Grain sorghum imports in 1964 totaled a little over 950,000 metric tons—an increase of about 200,000 tons from the 750,000 imported in 1963.

Not only was the annual rate of expansion down sharply, but for the first time the U.S. share of the market dropped below 90 percent; it was not quite 84 percent, compared with almost 99 percent in 1963.

Competition from Argentina accounted for the drop in the U.S. share, and Argentina will again be active throughout 1965 in trying to gain a bigger part of what is expected to be slightly larger import volume. Argentine prices, for April shipment, are being quoted at $1 to $2 per metric ton below those for U.S. grain sorghum.

Feed wheat imports dropped slightly last year to 735,000 metric tons, against 822,000 tons in '63. The United States accounted for 172,000 tons and 178,000 tons, respectively. Imports in 1965 may increase, as the Food Agency budget for feed-wheat imports in Japanese fiscal year 1965 (beginning April 1, 1965) is for 947,000 metric tons, 892,000 tons for bran production, and 55,000 tons for kernel feed (to be fed as grain).

Feed-barley imports, inaugurated in 1963, rose sharply in calendar 1964. A further increase is expected in 1965. The 1964 volume was 275,000 metric tons—more than double the 117,000 tons bought in 1963. In 1965, imports probably will be around 400,000 tons. Short supplies of corn and grain sorghums have encouraged purchases of barley for early delivery.

The U.S. share of the 1964 feed-barley takings was over 168,000 metric tons, against 59,000 tons in 1963. More competitive prices and readily available supplies reportedly encouraged bigger imports from the United States.

Wheat bran imports in calendar 1964 came to 313,000 metric tons—15,000 tons over the 298,000-ton purchases in 1963. The U.S. share of the 1964 market dropped sharply to only 10,000 tons, compared with 36,000 tons in 1963. Argentina, as usual, supplied a major share of the imports, and Argentine shipments rose from 183,000 tons in 1963 to 212,000 tons last year.

Argentina continues to offer bagged wheat bran at attractive prices to Japan. Supplies are shipped in conjunction with partial cargoes of grain sorghum and millet to round out a full cargo. The United States is now supplying only a limited volume of bran pellets, because the unpelleted bran from Argentina is considered a better purchase by Japanese importers.

Miscellaneous feedstuffs used

As production of mixed feeds increases, Japan is using more oilseed meals and miscellaneous feedstuffs. It is, however, difficult to set definite patterns for many items, particularly protein feeds, because availabilities and price play such a big role in determining ingredients during a particular period.

Among the imports that fall into this irregular-use pattern are soybean meal (imports of 40,000 metric tons budgeted for the year ending March 31, 1966); nonfat dry milk; fish meal (mainly from Peru and Republic of South Africa); peanut meal; and alfalfa meal (imports ran 238,000 metric tons in 1964, against 193,000 tons in 1963—with these from the United States 169,000 tons and 132,000 tons, respectively).

—Jimmy D. Minyard
Assistant U.S. Agricultural Attaché, Tokyo

Eight U.S. Food and Feed Products To Be Shown At Madrid's International Farm Fair Next Month

The U.S. pavilion at Madrid's 6th Feria Internacional del Campo (International Farm Show) May 21-June 21 will feature eight foods and feeds either already enjoying a substantial share of the Spanish market, or for which the potential is good.

The United States—whose 20,000-square-foot pavilion will be one of the largest at the fair—is one of some 12 countries to exhibit agricultural products and equipment.

Major promotional emphasis will be put—as it was at London last month and Berlin during February—on beef. The American Meat Institute and FAS hope to capitalize on the rising demand for meat and meat products in Spain which sent imports of such products from $6.6 million in 1961 to $51.5 million in 1963—boosting Spain in 2 years from Europe's 12th to 6th ranking market for these products.

Double target for beef promotion

U.S.-style roast beef sandwiches and hamburgers will be served at popular prices in a 6,000-square-foot outdoor patio. An 84-seat restaurant featuring full course U.S. steak dinners will also be open to the public, but its primary target will be the hotel, institutional, and catering trades.

Adjacent to the patio, a theme theater will tell the story of U.S. beef from ranch to pan through continuous colored-slide shows. Another exhibit highlight will be a collection of 101 branding irons, including one from the LBJ ranch.

The U.S. Feed Grains Council, the Soybean Council of America, and the National Renderers Association will demonstrate how using balanced high-energy rations in livestock feeding increases productivity, rate of growth, and economy of feed consumption. Spain's efforts to up production of livestock and livestock products under its Current Four Year Development Plan (1964-67) are resulting in bigger imports of feedstuffs, particularly from the United States.

Some $43 million of U.S. feed grains went to Spain in fiscal 1963, and $38 million in 1964. Spanish officials believe the need for additional imports will last at least through 1967. Tallow imports of 108.4 million pounds in 1964 (compared with a 24.8-million average for 1956-60) made Spain third largest cash customer for U.S. tallow in Europe.

Big soybean buyer

Spain also ranks high as a market for U.S. soybean cake and meal. In 1962-63, purchases hit a record 196,331 short tons, and although this figure went down to 161,125 the following year (reflecting the growth of Spain's soybean crushing industry), the country was nonetheless second biggest buyer of these U.S. products in Europe for both years.

Nearby the Soybean Council will also promote soybean oil for table use by sampling of french-fried potatoes, chicken legs, and fish sticks deep-fat fried in soybean oil. Bottles of top-quality U.S. soybean oil will be sold to consumers.

Timing of the exhibit is good. Two years ago (1962-63 marketing year) Spain became the United States biggest cash customer for soybean oil with purchases reaching $27.8 million. The following year—with Spanish olive oil output way up—soybean oil imports ceased. Now the pendulum is swinging back. The Spanish olive crop is down and U.S. soybean oil exports to Spain for the first 4 months in the 1964-65 marketing year are already at $17.3 million (142.2 million pounds).

Emphasis on quality soybean oil

The Madrid promotion offers an excellent opportunity to introduce the fresh taste of quality soybean-oil fried foods to palates long accustomed to olive oil.

Slated for limited promotion, demonstration, and sampling are U.S. poultry, dairy products, and convenience wheat foods.

Although these commodities are now virtually excluded from the Spanish market by import barriers (except for wheat and wheat flour), it is felt sufficient consumer and importer interest might encourage increased access. Particularly promising is the Spanish Government's recent action in making licenses available for the import of some 220,000 pounds of broilers.

To help curb inflation, the Spanish Government recently made a number of tariff reductions on imported foodstuffs—also an important indication of Spain's interest in making its agricultural and food industry more productive by allowing increased competition from imports. Among the U.S. products benefiting from the reductions are tallow, soybeans, and soybean meal.

The U.S. poultry industry's International Trade Development Board will sponsor a display of chicken and turkey being barbecued and broiled. A turkey will be given away daily to the winner of a turkey weight-guessing contest. The Dairy Society International exhibit will display U.S. butter and cheese and offer at nominal prices ice cream cones and cold chocolate drinks made from nonfat dry milk. At the Great Plains Wheat exhibit, a home economist will demonstrate the ease of cooking with cake and pancake mixes.

Growing market for U.S. products

Spain shows considerable promise of becoming an even more substantial purchaser of U.S. agricultural products than at present. In 1963-64, it was the United States seventh largest West European dollar market, taking $88 million worth.

Under the current Four Year Plan, Spain expects to pump about $15 billion public and private funds into its economy, giving further impetus to an economy showing many signs of increased strength. In the past 10 years, the Gross National Product has doubled; in the first half of 1964, wages for industrial and agricultural workers were up 11 percent over the same period the year before; and the balance-of-payments surplus rose from $47.2 million in 1963 to an estimated $324 million in 1964 (excluding movement in liabilities in pesetas to the U.S. Government).

Feeding Demonstrations Promote U.S. Feed Grains in U.K.

By COLIN CAMPBELL
Animal Nutrition Specialist
U.S. Feed Grains Council, London

The primary function of local country offices of the U.S. Feed Grains Council is to promote the sales of U.S. corn, milo, barley, and dehydrated alfalfa in the country in which they are located. This objective can be achieved in different ways, dependent largely upon the sophistication of the country's agriculture and upon the local patterns of domestic consumption of animal products.

Thus no two European country offices have the same operating philosophy; some must concern themselves with the liberalization of cereal imports, others with basic information on the use of a recently introduced grain, such as milo, and still others in less-developed countries, with the dissemination of general information on the feeding of cereals to livestock.

As demand for cereals for animal feeding grows in a country, and local supplies are insufficient, the balance can well be made up with imports from the United States. Although all major U.S. feed grains are available for export, it is normally easier to concentrate on the promotion of cereals which are not grown locally. For this reason, in the United Kingdom we concentrate on corn and milo.

Growing meat consumption

As the standard of living rises in any country, there is a marked tendency for the population to eat more meat of all kinds. This trend is very pronounced in most European countries, and the increase in the tourist trade in many areas has had a great influence, as people on vacation tend to like, and can afford to eat, meat.

In its turn an increased demand for meat has meant a swing to modern intensive livestock feeding methods in order to increase production and turnover. Thus during the last year or so there has been great interest in the feeding of cereals to animals which previously rarely saw grain at all. Naturally this situation is one which the USFGC is endeavoring to exploit to the maximum by indicating to livestock producers the most economic ways they can increase meat production by making the maximum use of cereals.

In the United Kingdom we are doing this by sponsoring feeding demonstrations in different locations all over the country. These demonstrations take place at three quite different types of establishments.

Universities, colleges, and farms

If the demonstration is something which is quite new to the country, it may take place at a university where, under very rigid supervision, the new method or system can be examined and reported upon.

Secondly, it can take place at a farm training college where young farmers take a 1- or 2-year course. These training colleges are scattered all over the country and are ideal places to demonstrate new feeding methods which already have some acceptance.

Finally, a number of demonstrations take place on commercial farms, particularly when wide publicity is required for a feeding system about which a good deal is already known.

Our technical activities in the United Kingdom concern beef and dairy cattle, swine, sheep, and poultry, but considerable emphasis is placed on beef because intensive fattening methods are relatively new, and there is a very great demand for this type of meat. Poultry has taken the smallest place in our activities, because although they consume the greatest quantity of imported corn and milo, the industry is very sophisticated and more than able to formulate its own diets and feeding systems.

Over the period of the last 10 years, there has been a great increase in the number of animals fed intensively for beef, on diets consisting mainly of barley. Most of these animals are either pure or crossbred dairy steers, and are killed at 850-900 pounds live weight. The recent greatly increased demand for beef has caused a shortage, and a consequent increase in the price of calves.

Value of intensive beef feeding

The Council has been interested in three aspects of the situation; first to indicate economic corn, rather than barley, diets; second, to demonstrate economic rations on which cattle can be fed to greater weights to combat

(Continued on next page)

This article is based on a paper delivered by Mr. Campbell before the National Corn Growers Association at Ames, Iowa, on April 3.

Western Wheat Uses Stock Reports To Serve Japanese Trade

Pointing up one type of service Wheat Associates renders customers in Japan—No. 1 U.S. wheat buyer—WA's Far East director James Hutchinson (l.) presents a Japanese Importers Association official with the latest weekly stock report on the availability of U.S. wheat off the West Coast. Reports are cabled to the American Embassy and processed by WA for prompt release to Japanese importers. "Service has helped build strong trade ties between Japanese and U.S. wheat interests," says WA.

the calf shortage; and finally to generally encourage the trend toward more intensive beef feeding.

Current demonstrations concern the adding of ground barley straw to complete cubed rations of corn and soybean meal, particularly for animals in the later stages of fattening. Indications at present are that substantial quantities of straw can be added to the diets of animals of 7 hundred-weight and over without having any adverse effect on food conversions, while at the same time substantially cheapening the ration.

Steaming and the addition of oats to add fiber to corn diets have also been demonstrated, but at present there seems no great advantage in the steaming process, and oats add too little fiber to make any real difference to food conversions and costs.

A demonstration is also underway to indicate the value of dehydrated alfalfa in intensive beef diets, but no meaningful results are yet available.

Dairy cow feeding tests

The Council has sponsored three farm demonstrations to date concerned with the feeding of dairy cows. All have taken place on a large commercial dairy farm in Somerset, and wide publicity obtained as a result.

The first piece of work concerned the replacement of barley with corn in a dairy concentrate; excellent results were obtained, the corn-based concentrate producing more milk with a higher butterfat content.

The second demonstration concerned the supplementation of spring and early summer grass with a corn concentrate rather than with a barley one. Again excellent figures resulted from use of the corn diet, the cows giving milk with a higher butterfat content on this ration.

The third demonstration is still underway, and involves the feeding of a simple corn concentrate rather than a fully balanced one based on barley, to cows giving three gallons per day or less. It was considered that cows past the peak of lactation should be able to milk satisfactorily on a straight cereal concentrate rather than on one containing 16 percent protein. This substitution resulted in a considerable saving in cost especially as there were no palatability problems with corn, as probably would have been the case with straight barley. Results to date are very encouraging. The corn diet has proven very economical and profitable, with no drop in yield as a result of lower protein.

Up to the present time, only one demonstration concerning swine has been completed, this being in connection with the substitution of milo for barley in heavy hog diets.

Milo in heavy hog diets

Results have clearly shown that milo can replace barley quite satisfactorily and that with slightly higher protein levels, food conversions are improved by the use of milo instead of barley. Palatability and carcass quality were in no way adversely effected by use of the milo rations.

It is interesting to note that milo is still little used in the United Kingdom except in broiler rations. This is because in comparison to corn, which has no import duty, milo carries 10 percent. Thus the feeder or merchant has to pay as much for milo as for corn, which results in milo generally being a poor commercial purchase in the United Kingdom.

Sheep have become very much more popular in Great Britain during the last few years, and there is always a good demand for prime lamb. Ewes are now often housed during the winter, and ewe lambs in the hills are also fed during the winter.

Sheep feeding demonstrations

Two demonstrations have already been sponsored by the Council, one concerning the intensive fattening of lambs, and the other with the feeding of hill ewe lambs indoors.

The work with fattening rations was particularly successful as the corn, and corn supplemented with dehydrated alfalfa, diets consistently outperformed those based on barley. One ration composed of cracked corn, dehydrated alfalfa, and urea gave particularly good results, and the lambs fed on this diet were more consistent than lambs fed on other rations.

In the demonstration of diets for "in wintered" ewe lambs, cracked corn and oat straw diets were found to be excellent, and quite economic for putting on the necessary weight gains over the winter period.

Up to the present, demonstrations have only concerned the breeds of hill sheep which are the most temperamentally unsuited to intensive management. Future work will demonstrate economic corn rations for lowland fattening lambs.

There is wide interest in the general field of high-energy diets for poultry, and for this reason, the Council has sponsored research in this area for the past 3 years at Queens University, Belfast, Northern Ireland. Here, Dr. W.O. Brown, Reader in Agricultural Chemistry, School of Agriculture, and his workers have been looking at the whole field of energy in poultry nutrition, and they have published some interesting work.

Last year Dr. Brown wrote a booklet for the Council entitled, "High Energy Diets for Poultry," which has been in great demand and has been sent all over the world. The booklet stresses the great importance of corn in high-energy diets. Because it is now generally recognized all over Europe, the booklet should further help the sale of high-energy corn-based poultry rations.

Other technical activities

Apart from the planning, supervision, and publicity of feeding demonstrations, other technical activities are involved in the work of the Council's London office.

From time to time or when a particular demand arises, technical feed symposiums are organized in the major cities. A number of topical nutritional subjects are chosen and U.S. and U.K. authorities are invited to speak on them.

These symposiums have been very popular and the leaders of the feed industry have said how much they appreciated obtaining at first hand ideas on new methods of feeding.

The Council's staff also visits feed compounders all over the country, and through contact with feed formulation managers, makes sure they receive the latest data on the use of U.S. feed grains. These personal visits have proved very useful. Often it is found that a company is entirely ignorant of the value of corn in a particular ration, or, for instance, how to make the best use of milo, so that immediate advice can be given.

The London office works toward the maintenance and possible increase of the large exports of 2 million to 3 million tons per year of U.S. feed grains into the United Kingdom. Our object will have been achieved, if, as a result of increased economic intensive livestock feeding, there is a greater uptake of total feed grains, a large proportion of which comes from the United States.

Response to First Soybean-Oil Margarine Sold In Japan May Increase Demand for U.S. Soybeans

The successful marketing of Japan's first all-vegetable-oil margarine—introduced 3 months ago—is seen opening up new export possibilities for U.S. soybeans. The new product called "Uni-Soya" contains 50 percent soybean oil, whereas other Japanese margarines are 70 to 75 percent animal and marine oils—mainly tallow, whale, and fish oil in about equal proportions.

The expectation is that much of the increased soybean oil needs for Uni-Soya will be met by soybeans from the United States, far and away Japan's chief supplier. In 1964, this top dollar market took a record 47.3 million bushels of U.S. soybeans.

Introduction of the new product is the culmination of joint efforts since 1963 by the Japanese American Soybean Institute (representative of the American Soybean Association), the Japan Margarine Association, and the Japan Oilseed Processors.

Uni-Soya margarine was introduced to the Japanese trade and industry and to nutrition and diet experts at a sampling party this past December in Tokyo. About 70 guests tried the new spread on French-style rolls, commented on its palatability, and indicated that flavor and quality were far superior to the predominating type of Japanese margarine.

Nationwide marketing of Uni-Soya by all members of the Margarine Association followed in mid-January when the margarine went on sale in strikingly decorated cartons at a special introductory price of 56 cents per pound. Uni-Soya has also been promoted through wide distribution of samples and point-of-sale advertising.

The addition of soybean oil to other vegetable fats in Uni-Soya that together make up 81.7 percent of the product results in a high linoleic acid content.

Other ingredients are: moisture, 16 percent; emulsifier, 3 percent; salt, 2 percent; Vitamin A, 20,000 I.U. per pound, Vitamin D, 5,000 I.U. per pound; and supplementary Beta-carotene. The product is similar to margarine made in the United States, except slightly less than salty.

The name Uni-Soya is an abbreviation of Union Soybean oil margarine and indicates the margarine is produced by the Union of Margarine Manufacturers. Twelve of Japan's 23 margarine firms cooperated in producing Uni-Soya, though initial production was by an Osaka plant.

The development of Uni-Soya comes at a time when the demand for margarine in Japan is fast expanding, as evidenced by the growth in overall margarine production in that country. Japan produced an estimated 55,000 metric tons of margarine in 1964, compared with 51,422 tons in 1963 and 50,930 tons in 1962. The 1964 level was one-third over the 1959 production of 39,926 tons, and more than double the 21,829 tons produced in 1961.

Of the total margarine output in 1963, industrial or baking margarine accounted for the largest share—27,374 tons—followed by household margarine with 24,048 tons. Production of the latter type, however, has been rising rapidly in recent years. The 1960 output of household margarine of 13,601 tons was more than double that of 10 years earlier. Production of baking margarine, on the other hand, went from 15,786 tons in 1951 to a peak of 36,710 tons in 1955, then fell to 30,402 tons in 1962.

Japanese Margarine Team Will Visit U.S. This Spring

The American Soybean Association will sponsor this spring the visit of a five-man team of leading Japanese margarine technicians and businessmen to the United States, where they will study U.S. processing and marketing techniques for soybean oil and all-vegetable-oil margarines.

It is felt that the Japanese—after seeing firsthand how Midwestern vegetable oil refineries and margarine plants produce and market high-quality products—will be able to expand their own production of vegetable margarine and thus increase the demand for U.S. soybeans.

Demand Triples U.S. Rice Sales to Ireland

A growing preference for U.S. rice by Irish housewives, restaurateurs, and prepared-meal producers has resulted in a tripling of U.S. rice exports to Ireland in the past 3 years, with a jump from only 300 metric tons in 1961-62 to over 900 tons in 1963-64.

A number of Irish importers have expressed the opinion that more direct promotional work by the U.S. Rice Council would even further increase consumption, according to C.S. Stephanides, U.S. Agricultural Attaché at Dublin.

Though Ireland is a small rice buyer by world standards (annual imports run about 3,000 tons a year), it is an expanding market and U.S. rice is becoming increasingly competitive and popular. With rising living standards, demand for long-grain rice as a "savoury" in meals and in puddings has increased, and is displacing traditional use of pudding-type rices imported from the Far East and Italy.

The present trend is toward long-grain, highly polished, high protein rice, of which sizable quantities have recently been bought from the United States. Belle Patna and Bluebonnet—U.S. No. 2 or 3 grades with 4 percent or 10 percent broken kernels—are most popular types, especially with a number of Oriental restaurants that have opened up in Ireland in the past few years.

There appears to be a definite market for uniformly white, parboiled and "minute" rice, despite high prices. Also, distributors are finding it profitable to package rice because Irish housewives are willing to pay for the convenience-packed product. Due to high import taxes, imports of packaged rice are not practical.

While many Irish importers are now buying rice through British brokers, several have indicated a desire to buy directly from the United States.

Note: March 29 *Foreign Agriculture*, page 9 line 5 should read: reached 200,000 pounds in 1963. Also, page 10, NIGERIA, second paragraph, second line should read: earner in 1964. Cocoa exports amounted to 200,000 metric tons, and despite declining world cocoa prices, earnings surpassed the $90.6 million of 1963.

President Notes Achievements of Food for Peace Program

U.S. exports of farm products under P. L. 480, which hit a new high of $1.7 billion in 1964, benefited not only millions of people overseas but the United States as well.

The significant role of the Food for Peace program of the United States, both "in helping to battle hunger in the world" and intangible benefits to the United States, was underscored by President Lyndon B. Johnson, March 31, in a message to the Congress transmitting the 1964 annual report on Public Law 480.

Calling the Food for Peace program one of "the most inspiring enterprises ever undertaken by any nation in all of history," the President noted the program's increasing emphasis on the use of U.S. agricultural commodities to support projects abroad that strengthen economies and help eliminate the need for continued food aid.

Exports under Food for Peace reached a new high in 1964 of 18 million tons of agricultural commodities with an export market value of $1.7 billion. This was 27 percent of the record $6.3 billion of U.S. agricultural exports that year. The President said that today "about 40 percent of our government's economic development assistance overseas is in the form of agricultural commodities and local currencies received from their sale," he noted.

"One of our principal assets"

The President stressed the Food for Peace program's "significant contribution to the world attack on hunger and malnutrition" and called the program "one of our principal assets in international economic development."

He cited return benefits to the United States, including contributions to the development of commercial markets for American farm products, payment of U.S. Government expenses overseas, and improvement of the U.S. balance-of-payments.

In his message to the Congress, President Johnson reported that 1964 Food for Peace exports under Title I (sales for foreign currencies) reached a record high of 14 million tons—almost $1.2 billion worth. Reimbursements to the Commodity Credit Corporation during 1964 by U.S. Government agencies utilizing these currencies to pay expenses overseas, plus returns from barter programs as U.S. agencies financed overseas purchases of goods and services with P. L. 480 commodities, amounted to more than a third of a billion dollars.

"Our balance-of-payments position is also benefiting from increased activity under Title IV, long-term dollar credit sales," President Johnson said. "Almost one million tons of agricultural commodities, with an export market value of $93 million, were shipped overseas in 1964 under Title IV, also a new record. Title IV dollar repayments on principal and interest from previous sales are being made in increasing volume."

Commerical U.S. export markets

Pointing out the role of Food for Peace in developing commercial export markets for American farm products, President Johnson noted that "commercial sales of U.S. agricultural commodities overseas reached a new high of $4.6 billion during this year (1964), more than double the commercial agricultural exports of 1954 when Public Law 480 was first enacted."

The report cites market development activities carried out with foreign currencies received from the sale of U.S. agricultural products under P. L. 480 as a contributing factor to this increase in commercial agricultural exports. During 1964, nearly $11.7 million worth of P. L. 480 foreign currencies were used for this market development program. Private industry cooperators contributed another $7.1 million, bringing the total support for overseas market development during 1964 to about $18.8 million.

Overseas use of commodities

The annual report provides many examples of the use of American farm products to feed hungry people and promote economic growth in developing nations:

- Of the 100 million recipients of Food for Peace donations, 70 million are children. This includes more than 40 million children benefiting from organized national school lunch efforts.
- In 1964, about 4 million victims of natural disasters and 1 million refugees received food through emergency relief programs of Title II of P. L. 480.
- During the year, more than 3 billion pounds of commodities were programed through U.S. and international overseas relief agencies under Title III of P. L. 480 for donation to 67.3 million people.

There were a number of significant accomplishments in promoting economic development.

Sales agreements under Title I concluded during 1964 provided for use of $580.5 million for foreign economic development projects. These currencies are being used to supplement capital investment funds and technical assistance support in a wide range of industrial, agricultural, and socio-economic development projects.

About $57 million in local currencies generated by Title I sales of Food for Peace commodities were loaned in 1964 to U.S. and local private enterprise for business development and trade expansion in 11 countries.

In addition, agricultural commodities sold to foreign governments on long-term dollar credit under Title IV provided helpful export financing.

Program important to U.S. farmers

The commodity composition of Food for Peace shipments indicates the importance of this program to American farmers.

Wheat exports under P. L. 480 in 1964 totaled 563 million bushels as compared with commercial export sales of 289 million bushels. About 11 percent of total corn exports, 41 percent of rice exports, 22 percent of cotton exports, and 21 percent of vegetable oil exports were shipped under the Food for Peace program. Shipments also included large quantities of poultry, dairy prdoucts, tobacco, fruits, vegetables, and dry beans and peas.

Looking to the future, President Johnson said, "The long-range solution to the hunger problem rests in improving the productive capacity of the developing nations themselves... But we must also continue to utilize our own agricultural resources until the day these other countries become self-sufficient. That will be a number of years away—but Food for Peace can shorten this time."

Turkish Filbert Crop Tops Last Year's World Total

Turkey claims that this year it will be able to supply all the filberts (hazelnuts) the world requires. Its production for the 1964-65 season is a record 180,000 metric tons, inshell basis—surpassing the entire world total of last season and double the country's previous crop.

Filberts are Turkey's most important export item next to cotton and tobacco, earning $57,715,777 in foreign exchange in 1963-64 (September-August). This year they will earn as much or more, as shipments are expected to total about 55,000 metric tons (shelled equivalent) against the 48,837 of the previous season.

This product is one of the four agricultural commodities that will be exported to the European Common Market—by far the largest market for Turkish filberts—under the newly effective association agreement. The Community in 1963-64 took around $33 million worth, or 57 percent of total shipments; breakdown is shown here:

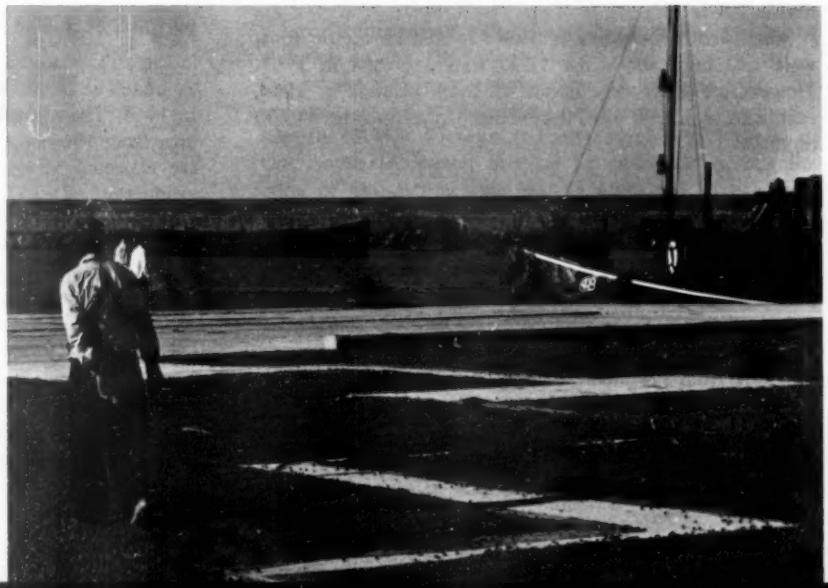
	Metric tons	*U.S. dol.*
West Germany	24,926	29,643,222
Belgium-Luxembourg	460	510,555
France	1,433	1,712,111
Netherlands	754	899,222
Italy	218	269,888
Total	27,791	33,034,998

Outside the EEC, Switzerland was the best customer in 1963-64, buying about $11.6 million worth. And the United States, which imports about a quarter of its domestic requirements, took about $2.6 million worth.

Competing with Turkey in the export market are Italy and Spain, whose shipments respectively amount to only about a third and 10 percent of the Turkish total.

Filbert trees are scattered throughout Turkey; however, varieties of the highest yield and quality and bearing a commercial value are concentrated in the coastal region of the Black Sea. Here they are seen growing in great profusion in what often seems to be a wild state, as well as in neatly planted orchards which follow the contours of the mountainsides.

—LOYD M. ADCOCK
U.S. Agricultural Attaché, Ankara



Top to bottom, drying filberts along coast of Black Sea, husking the nuts, and preparing to take the sacked filberts to market. Turkey is far the worlds' largest producer and exporter of these nuts, earning from export shipments a quite sizable amount of foreign exchange.

Corn in Republic of South Africa Suffers Reversal

The corn crop in the Republic of South Africa is now estimated at about the 1964 level of 170 million bushels, as a result of severe damage from unprecedented drought and high temperatures since the first of February.

The current poor state of the crop contrasts with the excellent condition reported in January, when it appeared possible that the record 240 million bushels set in 1962 might be surpassed. The current estimate would indicate the smallest crop since 1959. The situation now is the same as that of a year ago, when fine early prospects were dimmed by severe drought before harvest, which begins in May.

Japan, Mainland China Agree on Soybean Prices

Japanese importers and Communist Chinese exporters, after weeks of negotiations, reached an agreement on the price to be paid for April-May shipments of soybeans to Japan under the Liao-Takasaki (L-T) arrangement.

The quantity involved is 60,000 metric tons (2.2 mil. bu.) out of a total for calendar 1965 of 280,000 tons under the L-T arrangement, and the price agreed upon is £41.19.0 (US$117.46) per ton f.o.b. basis. This price will be applicable to 35,000 tons to be shipped in April and 20,000 in May. In addition, 5,000 tons will be exported in May on a c.i.f. basis at an extra charge of £2.6.5 or a total of £44.5.5 (US$123.96)

According to trade reports, the recent price decline in the Chicago market contributed materially toward bringing the two groups together.

The price agreed upon for the 80,000-ton shipments during January-March was £39.15.0 (US$111.30); see *Foreign Agriculture*, Jan. 18, 1965.

French Exports of Rapeseed, Sunflowerseed Up Sharply

In 1964 France exported 119,406 metric tons of rapeseed compared with 71,113 in 1963. The marked increase reflected a sharp rise in production, which resulted from expanded acreage, even though yields were reduced. Production was 181,000 tons in 1964 against only 132,800 tons in 1963.

Sunflowerseed exports in 1964, at 18,312 metric tons, were markedly above the 1,327 tons exported in 1963. However, French production of sunflowerseed in 1964, estimated at 30,200 tons, declined sharply from the 44,200 of 1963.

Canada To Increase Oilseed Acreage Sharply

Canadian farmers plan sharp increases in their oilseed acreages this year, according to the annual acreage intentions survey of the Dominion Bureau of Statistics.

Intended acreages are indicative of farmers' plans as of March 1. Therefore, acreages actually seeded may vary considerably from the intention figures, depending upon such factors as conditions before and during seeding; availability of good quality seed; the market outlook; and the possible effect of the report itself on farmers' plans.

CANADIAN OILSEED ACREAGE 1962-64 AND ACREAGE INTENTIONS AS OF MARCH 1, 1965

Oilseed	Seeded acreage			Intended acreage	
	1962	1963	1964	1965	1965 percent of 1964
	1,000 acres	*1,000 acres*	*1,000 acres*	*1,000 acres*	*Percent*
Flaxseed	1,445.0	1,682.4	1,916.5	2,187.3	114
Rapeseed[1]	371.2	478.0	699.8	1,385.0	198
Soybeans[2]	221.0	228.0	231.0	238.0	103

[1] Prairie Provinces only. [2] Ontario only; estimates for Manitoba not available.

Dominion Bureau of Statistics, Ottawa.

Prospective flaxseed acreage indicates a 14-percent increase from 1964 and a 12-percent increase from the 1959-63 average. In Manitoba, the intended increase is 16 percent; in Saskatchewan, 15 percent; and in Alberta, 10 percent.

If intentions are confirmed, acreage in rapeseed, grown in the Prairie Provinces, will be a record high—almost double that of 1964. Moreover, it will be 173 percent above the 1959-63 average.

Soybean acreage intentions represent an increase of 3 percent from last year's acreage.

Australia's Prospective Safflowerseed Output

Production of safflowerseed in Queensland, Australia, for the 1964-65 season is tentatively estimated at between 10,000 and 15,000 long tons from a total area of about 50,000 acres (largely on the Darling Downs), according to the Linseed Crushers Association of Australia. This contrasts markedly with the previous season's production of 4,913 tons from 18,141 acres.

Safflower in the States of Victoria, South Australia, and New South Wales is currently under trial sowing. Possible yields for the 1964-65 season were given as 1,000 tons from 2,500 acres for Victoria, and 30 tons from 100 acres for South Australia. Yield potentials for safflower in New South Wales were given as between one-half and three-quarters of a ton per acre, if harvest conditions are good.

Jordan's Vegetable Oil Situation

Jordan's production of edible vegetable oil in 1965 is estimated at 24,000 metric tons compared with only 13,264 in 1964. The marked gain reflects the large olive oil outturn from 1964-crop olives. Imports of edible oils in 1965 are expected to decline because of increased indigenous production.

Although some increase in domestic consumption is anticipated, most of the increase in supplies is expected to be channeled into export markets. As previously reported, the Jordanian Government has issued a decree permitting olive oil exports of up to 7,000 tons (*Foreign Agriculture*, Dec. 14, 1964). No olive oil was exported in the first 9 months of 1964, but it is estimated that about 200 tons were exported in the last quarter of that year.

Imports of vegetable oils, which in 1963 were purchased largely from Malaya and the United States, are estimated

to have increased in 1964. They included about 1,000 tons of olive oil, largely from Spain, used to cover domestic needs in the face of reduced indigenous supplies.

JORDAN'S ESTIMATED SUPPLY AND DISTRIBUTION OF EDIBLE VEGETABLE OILS

Item	1962	1963[1]	1964[1]	1965[2]
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
SUPPLY				
Stocks, January 1	---	11,338	1,602	1,810
Production:				
Olive oil[3]	21,786	1,300	7,464	18,000
Vegetable ghee	3,200	5,976	5,800	6,000
Total	24,986	7,276	13,264	24,000
Imports:				
Other vegetable oils[4]	5,300	9,400	10,000	9,000
Vegetable ghee	200	267	300	250
Total	5,500	9,667	10,300	9,250
Total supply	30,486	28,281	25,166	35,060
DISTRIBUTION				
Exports:				
Olive oil	430	1,246	200	7,000
Other vegetable oils	500	173	400	500
Total	930	1,419	600	7,500
Domestic disappearance:				
Olive oil	10,018	10,000	[5]9,656	10,000
Other vegetable oils	4,800	9,017	7,000	7,500
Vegetable ghee	3,400	6,243	6,100	6,250
Total	18,218	25,260	22,756	23,750
Stocks, December 31	11,338	1,602	1,810	3,810
Total distribution	30,486	28,281	25,166	35,060

[1] Preliminary. [2] Forecast. [3] Crushed from olives produced in the preceding year. [4] Includes sesame, cottonseed, sunflower, coconut, palm, corn, and soybean oils. [5] Includes about 1,000 tons imported largely from Spain.

Compiled from official and other sources.

Iceland's Exports of Fish Oils and Meals

Iceland's exports of fish and fish liver oils in 1964 totaled 62,246 metric tons, 4 percent below the previous year's tonnage. Exports of fishmeal increased 21 percent to 125,957 tons, the largest volume on record.

ICELAND'S EXPORTS OF FISH OILS AND MEALS

Item	1962	1963	1964
	Metric tons	*Metric tons*	*Metric tons*
Oils:			
Herring oil	60,478	55,184	52,403
Redfish oil	15	754	28
Cod liver oil	5,312	8,650	9,815
Total fish oil	65,805	64,588	62,246
Meals:			
Herring meal	48,489	76,583	96,379
Redfish meal	437	4,028	2,265
Fish meal	20,230	22,809	26,738
Liver meal	320	442	575
Total meal	69,476	103,862	125,957

Statistical Bulletin of Iceland Vol. 34, No. 1 February 1965.

Greek Olive Oil Production Estimate Reduced

The 1964-65 outturn of edible olive oil in Greece is now estimated at 128,400 metric tons, well below the 208,100 tons of 1963-64 and somewhat below the 136,000 tons (150,000 short tons) previously estimated *(World Agricultural Production and Trade: Statistical Report)*, December 1964). The drop is a result of attacks of dacus fly and olive kernel borer, which proved more severe than originally estimated.

Although relatively small, cottonseed oil production is expected to decline significantly, reflecting a substantially smaller cotton acreage.

Seed-oil imports are expected to increase. The imported oil will be used to continue the distribution of the blended oil, which at present consists of 40-percent olive oil and 60-percent soybean oil (*Foreign Agriculture*, Dec. 7, 1964). Reportedly, about 2,000 metric tons of blended oil are now being sold monthly to lower-income consumers in areas such as Macedonia, Thrace, and Ipirus which produce relatively little olive oil.

Olive oil exports in the 1963-64 marketing year totaled only 389 metric tons and are expected to continue at a relatively low rate, despite higher world prices. Exports are now permitted only in small branded containers.

GREECE'S SUPPLY AND DISTRIBUTION OF EDIBLE VEGETABLE FATS AND OILS, 1960-64[1]

Item	1960	1961	1962	1963[2]	1964[3]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
SUPPLY					
Stocks:					
Olive	56.0	22.0	125.0	35.0	100.0
Seed oils	1.0	11.8	9.0	17.0	18.0
Total	57.0	33.8	134.0	52.0	118.0
Production:					
Olive	79.4	247.7	55.8	208.1	128.4
Cottonseed	13.2	16.7	17.4	18.8	14.9
Other seed oils	.8	.6	.6	1.0	.7
Total	93.4	265.0	73.8	227.9	144.0
Imports:					
Olive oil	17.6	---	---	---	---
Seed oils	22.9	2.2	24.8	20.9	30.0
Total	40.5	2.2	24.8	20.9	30.0
Total supply	190.9	301.0	232.6	300.8	292.0
DISTRIBUTION					
Consumption:					
Olive oil	130.7	140.4	139.3	142.7	143.4
Seed oils	26.1	22.3	34.8	39.7	43.6
Total	156.8	162.7	174.1	182.4	187.0
Exports, olive oil	.3	4.3	6.5	.4	---
Stocks:					
Olive oil	22.0	125.0	35.0	100.0	85.0
Seed oils	11.8	9.0	17.0	18.0	20.0
Total	33.8	134.0	52.0	118.0	105.0
Total distribution	190.9	301.0	232.6	300.8	292.0

[1] Marketing years beginning November 1. [2] Preliminary. [3] Unofficial forecast.

Compiled from official and other sources.

Israeli Imports of Oilseeds, Vegetable Oils To Rise

Israel's imports of edible vegetable oils and oil-bearing materials in the 1964-65 marketing year are expected to rise by more than one-sixth from the previous year. The expected rise will be accounted for principally by increased imports of U.S. soybean and cottonseed oils. Imports of U.S. soybeans, which account for most of Israel's imports of oil-bearing materials, are expected to rise by 6 percent to 260,000 metric tons (9.5 mil. bu.) in 1964-65.

The active demand for edible vegetable oil is expected to result in increased imports, despite some rise in domestic production from indigenous materials. This largely reflects the anticipation of a further increase in per capita consumption.

Crushings of oil-bearing materials, consisting largely of soybeans from the United States, are expected to increase by about 15 percent in 1964-65. Despite the increase, Israel's crushing industry, as in 1963-64, will probably

continue to operate at a level significantly below capacity because of a government restriction. Capacity in 1962-63 was reported as 350,000 metric tons. Prices for oil and meal, which are under government control, remained unchanged in 1963-64.

ISRAEL'S PRODUCTION AND IMPORTS OF OIL-BEARING MATERIALS AND OILS, 1962-64[1]

Item	Production			Imports		
	1962	1963	1964[2]	1962	1963	1964[2]
	1,000 metric tons	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*	*1,000 metric tons*
Oil-bearing materials:						
Cottonseed	25.6	22.0	25.0	---	---	---
Peanuts[3]	12.4	13.0	9.0	---	---	---
Soybeans	---	---	---	211.0	245.2	260.0
Sunflowerseed	1.0	1.8	2.4	1.8	.6	---
Olives	4.8	13.0	15.0	---	---	---
Copra	---	---	---	3.9	6.2	6.0
Total	43.8	49.8	51.4	216.7	252.0	266.0
Oil-equiv.	---	---	---	40.9	48.3	50.6
Edible vegetable oils:[4]						
Cottonseed	3.2	3.6	4.0	2.3	.5	2.0
Soybean	---	---	---	28.7	9.9	17.0
Sunflower	.7	---	---	---	---	---
Olive	.3	1.3	1.4	---	---	---
Copra	---	---	---	1.5	---	---
Total	4.2	4.9	5.4	32.5	10.4	19.0
Oil-equiv.	---	---	---	73.4	58.7	69.6

[1] Marketing year beginning October 1 of year indicated. [2] Preliminary. [3] Unshelled basis. [4] Produce from domestic material. Israeli Ministry of Commerce and Industry.

Turkish Olive Oil Exports

Turkey's exports of edible olive oil during Januray 1965 were 3,481 metric tons. For the November-January period of the 1964-65 marketing year, they totaled 9,099 metric tons compared with only 226 tons in the same period of 1963-64. Most of the quantity has gone to Italy.

Denmark's Imports of Soybeans

Danish imports of soybeans in 1964 totaled 372,630 metric tons, of which 345,904 (or 93 percent) were from the United States and 26,726 from Mainland China. Imports in 1963, all from the United States, totaled 370,447.

U.S. Exports of Soybeans, Edible Oils, Cakes, Meals

Soybean exports in January from the United States amounted to only 2.9 million bushels. The drastic reduction—the smallest volume since the 1.6 million bushels exported in September 1958—resulted from the dock strike which went into effect on January 11. Despite the decline, cumulative exports in the first 4 months of the 1964-65 marketing year were at a record—5 percent above those in the same period of 1963-64.

Exports of *edible oil* (soybean and cottonseed) in January, at 138.5 million pounds, were also markedly below those in December. However, cumulative shipments through January were 70 percent above those in same period of 1963-64. Spain continues to be the major market for U.S. edible oil exports.

January *cake and meal* exports dipped to 44,600 short tons, also reflecting the strike. Yet in the 4-month cumulative period, exports of soybean, cottonseed, and linseed cakes and meals each rose from the same period a year earlier and in aggregate gained by more than one-half. Most of these exports moved to Western Europe.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND OILSEED CAKES AND MEALS

Item and country of destination	January		October-January	
	1964[1]	1965[1]	1963-64[1]	1964-65[1]
SOYBEANS				
Japan ---Mil. bu.	6.5	0.7	19.6	16.3
Canada ---do---	(2)	.1	11.0	15.1
Netherlands ---do---	2.1	.6	9.8	12.5
Germany, W. ---do---	1.6	(2)	10.4	9.4
Denmark ---do---	.5	---	6.5	5.9
Others ---do---	6.3	1.5	22.6	24.9
Total ---do---	17.0	2.9	79.9	84.1
Oil equiv. ---mil. lb.--	187.1	31.5	877.7	923.6
Meal equiv. ---1,000 tons	400.4	67.5	1,878.4	1,976.8
EDIBLE OILS				
Soybean:[3]				
Spain ---mil lb.--	---	30.9	---	142.2
Pakistan ---do---	---	.2	26.5	74.7
Argentina ---do---	---	26.5	(4)	40.1
Turkey ---do---	10.5	---	42.2	33.8
Greece ---do---	---	---	---	28.0
Iran ---do---	7.2	.2	18.9	26.9
Chile ---do---	4.9	1.4	9.9	18.2
Hong Kong ---do---	9.3	1.1	17.6	16.8
Israel ---do---	---	---	4.5	16.8
Others ---do---	38.3	8.1	149.6	56.5
Total ---do---	70.2	68.4	269.2	454.0
Foreign donations[5] ---do---	(4) (6)	.9	6.1	6 7.9
Total soybean oil ---do---	70.2	69.3	269.3	454.9
Cottonseed:[3]				
Germany, West ---do---	10.1	46.3	42.9	72.7
UAR ---do---	---	---	---	25.0
Canada ---do---	4.2	2.6	16.6	17.2
Iran ---do---	3.2	3.5	6.9	16.0
Netherlands ---do---	10.0	2.2	26.5	15.6
Morocco ---do---	---	4.4	6.6	11.0
Turkey ---do---	20.6	---	24.8	8.0
Others ---do---	5.2	6.4	26.0	45.7
Total ---do---	53.3	65.4	150.3	211.2
Foreign donations[5] ---do---	6.1	3.8	6.2	6 7 49.6
Total cottonseed oils ---do---	53.4	69.2	150.5	260.8
Total oils ---do---	123.6	138.5	419.8	715.7
CAKES AND MEALS				
Soybean:				
Germany, West 1,000 tons	3.9	6.0	34.9	111.9
France ---do---	21.7	6.8	97.0	102.5
Netherlands ---do---	3.1	3.7	42.7	100.5
Canada ---do---	9.3	19.1	68.2	93.5
Belgium ---do---	9.9	3.3	37.7	59.0
Yugoslavia ---do---	---	---	12.1	55.2
Denmark ---do---	4.6	1.2	38.9	40.4
Italy ---do---	.1	.1	33.0	31.8
Spain ---do---	14.1	---	46.5	25.0
Others ---do---	11.6	4.4	56.5	64.5
Total ---do---	78.3	44.6	467.5	684.3
Cottonseed ---do---	.5	3.0	24.2	62.7
Linseed ---do---	---	1.3	15.8	24.1
Total cakes and meals[8] ---do---	78.8	49.1	507.7	776.4

[1] Preliminary. [2] Less than 50,000 bushels. [3] Includes Title I, II, III, and IV or P.L. 480, except soybean and cottonseed oils contained in shortening exported under Title II and foreign donations under Title III. Excludes estimates of Title II exports of soybean and cottonseed oil not reported by Census. [4] Less than 50,000 pounds. [5] Title III, P.L. 480. [6] Estimated by USDA, includes salad oil and oil in shortening. [7] October-December estimated by USDA. [8] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from Census records and USDA estimates.

NOTE: Countries indicated are ranked according to quantities taken in the current marketing year.

Norway's Imports and Utilization of Soybean Oil

Norwegian imports of soybeans and soybean oil during 1964, on an oil-equivalent basis, increased 29 percent to 21,700 metric tons from 16,800 in 1963 (using an extraction rate of 18.3 percent). Soybean imports as such, all from the United States, increased 56 percent, while soybean oil imports declined sharply.

NORWAY'S IMPORTS OF SOYBEANS AND SOYBEAN OIL

Country of origin	1961	1962	1963	1964
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Soybeans:				
United States	63,141	73,973	74,816	116,867
China, Mainland	3,028	---	---	---
Panama	---	1,078	---	---
Others	495	---	---	---
Total	66,664	75,051	74,816	116,867
Soybean oil:				
Denmark	1,305	3,996	2,330	307
Finland	500	---	---	---
United Kingdom	---	---	797	---
United States	---	340	---	---
Netherlands	---	302	---	---
Others	74	---	4	---
Total	1,879	4,638	3,131	307

Central Bureau of Statistics, Oslo.

The margarine industry is Norway's main user of soybean oil, accounting for about 90 percent of total consumption in 1963.

NORWAY'S UTILIZATION OF REFINED SOYBEAN OIL

Industry	1961	1962	1963
	Metric tons	*Metric tons*	*Metric tons*
Edible fat industry	9,183	9,114	9,595
Soap industry	208	118	64
Paint and varnish industry	1,114	795	884
Other industries	0	94	233

Central Bureau of Statistics, Oslo.

Philippine Exports of Desiccated Coconut Increase

Registered shipments of desiccated coconut from the Philippine Republic in February were 5,496 short tons compared with 4,020 in February 1964. Shipments to the United States were 4,541 tons against 3,349 tons in February last year.

The shipments in January totaled 2,880 short tons compared with 2,329 in January 1964. Of this amount, 2,372 tons were shipped to the United States as against 2,080 in the previous January.

Canada's Production of Margarine

Production of margarine in Canada during 1964 is estimated at 87,708 short tons against 85,957 in 1963, an increase of 1,750 tons. Production in 1962 totaled 93,299 tons.

The total quantity of oils and fats used in margarine manufacture in 1964 increased 2.5 percent from the previous year.

Most of this gain was in use of soybean oil, which accounted for 57 percent of total margarine manufacture in 1964 as against 34 percent in 1963. The share for marine fats and oils declined to 21 percent from 47 percent in 1963, while that for animal oils and fats rose to 4 percent from slightly more than 1 percent.

OILS AND FATS USED BY CANADIAN MARGARINE INDUSTRY

Oil or fat[1]	1962	1963	1964[2]
	Short tons	*Short tons*	*Short tons*
Vegetable oils:			
Coconut	6,676	1,772	411
Cottonseed	1,558	1,420	1,790
Palm[3]	6,620	3,089	2,832
Soybean	27,596	23,466	40,534
Other	5,907	6,326	7,540
Total	48,358	36,072	53,108
Marine fats and oils	24,146	32,278	14,866
Animal fats and oils:			
Lard	3,735	867	2,976
Other	23	5	10
Total	3,758	872	2,986
Grand total	76,262	69,222	70,961

[1] All figures are on a refined-oil basis. [2] Preliminary. [3] Includes palm kernel oil.

Dominion Bureau of Statistics, Oils and Fats, Ottawa.

Little Change in Norway's Margarine Production

Production of margarine in Norway during 1964 totaled 90,565 metric tons compared with 90,178 in 1963 and 91,712 in 1962. Of the total fats and oils utilized in the production of margarine, a high proportion (65 percent in 1964) is of marine origin.

OILS AND FATS USED BY NORWEGIAN MARGARINE INDUSTRY

Oil or fat	1962	1963	1964
	Metric tons	*Metric tons*	*Metric tons*
Marine fats and oils	50,808	50,095	50,553
Coconut oil	14,946	13,945	13,358
Hardened vegetable fats[1]	3,613	3,537	3,889
Other fats and oils	10,522	11,038	10,338
Total	79,889	78,615	78,138

[1] Exclusively hydrogenated soybean oil.

The Royal Norwegian Ministry of Agriculture, Oslo.

South Africa's Oilseed Production Estimates Revised

The Republc of South Africa's 1964-65 outturn of seed, from the sunflowerseed crop harvested in the April-July period, is now placed at 90,000 short tons, according to the latest revised estimate. This is somewhat above the 86,000 tons of last year and moderately below the preliminary forecast of 101,000 tons (*Foreign Agriculture*, March 15, 1965). This reduction reflects recent reports of unfavorably hot and dry weather which has occurred since February 1.

The revised estimate of the Republic's 1964-65 peanut outturn from the crop harvested principally between March and May, is 163,000 short tons. This compares with 155,000 tons in 1963-64 and is significantly below the 185,000 previously estimated.

Portuguese Edible Oil Situation

Portugal's 1964-65 outturn of edible olive oil, according to the latest official estimate, is placed at 52,900 short tons—less than one-half the revised estimate of the previous year's outturn and the smallest since 1950-51. Consequently, it is expected that a substantial volume of olive oil will be imported to cover the deficit for domestic consumption. Reportedly, contracts have already been made for the import of about 23,000 tons of olive oil from Spain.

Corn oil was authorized for use as an edible oil in Por-

tugal on March 23, 1964, but production is relatively small. It has been rumored that in view of the shortage of edible oils this year, additional edible oils might be added to the authorized list; however, no such decree has been issued.

Portugal, by substituting less expensive oils for olive oil and then exporting the higher priced oil, could strengthen its foreign exchange position. This would also serve the advantage of providing consumers with a lower priced oil, as is now being done in Spain and other Mediterranean Basin countries. However, the only vegetable oils presently authorized for edible use in Portugal are olive, peanut, and corn oils.

Peanut oil production declined by one-third in 1964, reflecting sharply reduced imports of peanuts, largely from Portuguese Guinea and Nigeria.

This reduction was probably due to the fact that indigenous olive oil production in 1963-64 was sharply above that of the previous year, thus reducing the need for supplementary oils for domestic utilization. Unless substantial quantities of olive oil are imported in 1965, imports of peanuts for crushing might increase significantly, reflecting small domestic availabilities of olive oil from 1964-crop olives.

PORTUGAL'S SUPPLY AND DISTRIBUTION OF EDIBLE VEGETABLE OIL

Oil and item	1960	1961	1962	1963	1964
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Olive oil:[1]					
Stocks, Nov. 1	17.6	15.9	34.7	4.4	18.5
Production	103.8	125.4	67.7	109.0	52.9
Domestic consumption[2]	100.0	88.2	91.4	89.2	90.4
Exports	5.5	18.4	6.6	6.8	6.6
Imports	---	---	---	1.1	33.1
Peanut oil:[3]					
Stocks, Jan. 1	1.1	6.0	8.7	8.5	7.1
Production[4]	19.1	17.7	11.4	33.6	22.0
Imports	4.9	2.5	.2	2.5	3.0
Domestic consumption[2]	19.1	16.8	11.7	37.5	26.6
Exports	(5)	.7	.1	---	---

[1] Marketing year beginning November 1. [2] Includes quantities used by the fish-canning industry. [3] Calendar year. [4] Includes that crushed from imported kernels. [5] Less than 50 tons.

PORTUGUESE OLIVE OIL EXPORTS[1]

Country of destination	1960	1961	1962[2]	1963[2]	1964[2]
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
United States	51	80	217	67	100
Brazil	565	369	1,846	568	289
Venezuela	105	181	166	143	269
Italy	---	---	11,467	439	---
Angola	2,832	3,009	3,370	3,272	4,113
Cape Verde Islands	107	91	---	---	---
Mozambique	1,099	1,291	1,207	1,222	1,574
Other Portuguese Provinces	182	212	272	270	294
Others	122	134	133	149	197
Total	5,063	5,367	18,678	6,130	6,836

[1] Excludes foots oil. [2] Preliminary.
Compiled from official and other sources.

Tung Oil Shipments From Buenos Aires

Exports of tung oil from Buenos Aires, Argentina, during August-January 1964-65, at 12,579 short tons, were 15 percent below those of the same period a year ago. Exports consisted of oils from both Argentina and Paraguay.

The decline reflected sharply reduced shipments from Paraguay offset somewhat by slightly larger shipments from Argentina. Of the total, exports from Argentina accounted for about 82 percent compared with about 68 percent in 1963-64.

Despite the aggregate decline in 1964-65, exports to the United States from both Argentina and Paraguay increased sharply. Most of the other purchasers were in Western Europe.

TUNG OIL SHIPMENTS FROM BUENOS AIRES[1]

Origin and destination	December[2]	January[2]		August-January[2]	
	1964	1964	1965	1963-64	1964-65
	Short tons	*Short tons*	*Short tons*	*Short tons*	*Short tons*
Argentina:					
To United States	1,979	75	957	1,858	5,742
To other countries	670	1,759	1,496	8,257	4,522
Total	2,649	1,834	2,453	10,115	10,264
Paraguay:					
To United States	355	618	---	2,859	1,824
To other countries	189	9	278	1,902	491
Total	544	627	278	4,761	2,315
Total:					
To United States	2,334	693	957	4,717	7,566
To other countries	859	1,768	1,774	10,159	5,013
Grand total	3,193	2,461	2,731	14,876	12,579

[1] Presumed to represent virtually all of the tung oil exported from Argentina and Paraguay. [2] Preliminary.
Compiled from shipments data, *Boletin Maritimo*, Buenos Aires.

Nigeria's Production of Palm Produce

The Regional Marketing Boards of the Federation of Nigeria as of February 25 had purchased 46,065 long tons of palm kernels and 17,100 tons of palm oil (all grades). Purchases in the first 2 months of 1964 totaled 54,800 tons for palm kernels and 21,200 for palm oil.

Prices for palm oil this season are reported to be the same as those in 1964, except for technical palm oil in Eastern Nigeria (see *Foreign Agriculture*, April 20, 1964). The prices of technical palm oil in Eastern Nigeria were reduced slightly, and the highest price payable is now N£33 14s. 9d. (US$94.96).

Canada's Production of Fishmeal Declines

Canadian output of fishmeal during 1964 totaled 76,403 short tons, 11 percent below the 85,467 produced in 1963. Herring meal accounted for 66 percent of the total output in both years.

Sabah's Exports of Copra Down

Net exports of copra from Sabah in 1964 were 15,462 long tons compared with 17,503 in 1963. Imports declined to 17,302 tons from 22,158; and exports, to 32,764 from 39,661.

Portugal Exports Less Sardine Oil

Exports of sardine oil from Portugal totaled 3,441 metric tons in 1964 compared with 4,774 in 1963.

South Africa Produces More Fish Oil

Production of fish oil during 1964 in the Republic of South Africa (including the Territory of South-West Africa) reached a record 78,404 short tons compared with 52,268 in 1963—an increase of 50 percent.

Tunisian Olive Oil Exports Rise

Exports of edible olive oil from Tunisia through mid-February of the current marketing year (November 1964-October 1965) totaled 21,253 metric tons, compared with 12,866 and 12,494 tons in the similar periods of 1963-64 and 1962-63, respectively. France continues to be the major market.

Prices for Tunisian olive oil (1-percent acidity) in Europe on March 20 were quoted at £255-265 per metric ton (US$714 to US$742) in drums c.i.f., compared with Spanish prices at £258-265 per metric ton (US$722 to US$742). These were somewhat below the previous month's, when Spanish prices were not quoted, but substantially above those of a year ago.

French Margarine Output Declines

Production of margarine in France during 1964 totaled a preliminary 132,158 metric tons, 3,500 tons (or 3 percent) above the 128,640 produced in 1963.

Argentine Sunflowerseed and Peanut Acreage Revised

The second official estimate places Argentina's 1964-65 sunflowerseed plantings at 2,624,200 acres, compared with the first official estimate of 2,634,100 and the final 1963-64 estimate of 2,137,415 (*Foreign Agriculture*, Mar. 15, 1965).

The second estimate of Argentine peanut plantings for the 1964-65 crop remains unchanged at 895,000 acres compared with the final estimate of 893,761 acres planted to the 1963-64 crop.

Tanzania's Sesameseed Output Down

Production of sesameseed in Tanzania (formerly Tanganyika and Zanzibar)during 1964 totaled 4,682 long tons compared with 9,898 in the previous year. These figures refer only to quantities sold through Native Authority Markets and exclude quantities sold or bartered outside the markets. Sesameseed in Tanzania is grown almost entirely for export.

Exports during the first 9 months of 1964 totaled 2,667 tons as against 8,021 in the same 1963 period.

Danish Fishmeal and Oil Output Rises

According to preliminary data, Denmark's fishmeal production during 1964 totaled 112,000 metric tons compared with 96,000 in 1963. Production of fish oil also increased to 33,000 tons from 28,000.

Jamaica's Copra Production Up

Copra production in Jamaica during 1964 totaled 16,472 long tons compared with 15,132 in 1963, according to the Coconut Industry Board. This represents an increase of 9 percent.

Spanish Olive Oil Exports Off Sharply

Exports of olive oil from Spain during the first quarter of the marketing year that began November 1, 1964, totaled about 12,200 metric tons, according to preliminary reports. This is sharply below the 32,400 metric tons exported in the same period of 1963-64.

European prices for Spanish olive oil in March were substantially above the price floor that had been established by the Spanish Government during February-May 1964. Unconfirmed trade reports indicate Spain may export as much as 20,000 tons of olive oil during March-May 1965.

United Kingdom's Margarine Output

Production of margarine in the United Kingdom during 1964 totaled 339,600 long tons compared with 337,300 in 1963.

Philippine Copra, Coconut Oil Data Revised

Registered exports of copra and coconut oil from the Philippine Republic in February 1965 have been revised to 40,643 and 19,073 long tons, respectively. Thus, the January-February accumulated shipments were 98,300 and 40,494 tons, respectively, and the total for copra and coconut oil, oil-equivalent basis, was 103,406 tons or 2 percent less than exports in the first 2 months of 1964 (*Foreign Agriculture*, April 5, 1965). January-February exports to the United States were 48,350 tons of copra and 39,925 tons of coconut oil.

Guatemala's Output of Sesameseed

Production of sesameseed in Guatemala during 1964 totaled an estimated 800 metric tons, down about 40 percent from the 1,380 tons in 1963. This reduction was attributed primarily to unfavorable weather during both the growing and harvesting seasons. The major part of the output is exported in the form of seed, principally to the United States and Canada.

Exports of sesameseed in January-August 1964 totaled 757 tons, of which 618 were destined for the United States. Exports in calendar 1963 totaled 1,245 tons, of which 1,205 went to the United States.

French Net Imports of Olive Oil Increase

Net imports of olive oil into France in 1964 rose to 25,102 short tons from 12,386 in 1963 and came mainly from Tunisia. The increase reflected increased domestic consumption as well as some stock building.

Denmark's Exports of Fish Oils and Meals

Exports of fish oil (largely herring from Denmark) totaled 30,357 metric tons in 1964 compared with 20,754 in 1963—an increase of 34 percent. Exports of herring meal, however, declined 7 percent to 56,340 tons from 60,389. Shipments of other fish meals in 1964 increased to 4,948 tons from 1,846, and those of fish solubles, to 17,298 from 10,000.

Argentina's Trade in Dairy Products Down

Argentina's exports of dairy products declined in 1964, from a year earlier.

The largest decrease was in exports of butter, which, at 24 million pounds, were only 82 percent of those in 1963. The decline was due mostly to smaller shipments to the principal market, the United Kingdom, which is under a quota system limiting imports. Shipments to that country

totaled 17 million pounds—about 7 million pounds below those in 1963. Sales to Chile were less than 1 million pounds, compared with more than 4 million last year, and shipments to France, West Germany, and Peru, at more than 1 million pounds each, were up substantially.

Argentine exports of cheese were down 13 percent to 10 million pounds, owing mainly to smaller purchases by the United States and Venezuela. Purchases by the United States, at 4 million pounds, were only 75 percent of a year ago, and those by Venezuela were down 8 percent to 3 million pounds. No shipments were made to that market after August, when the Venezuelan Government stopped issuing import licenses for cheese.

Casein exports, at 62 million pounds, were 2 million pounds less than last year, despite heavier purchases by the United States—42 million pounds compared with 36 million. There also were slight increases in sales to Japan, Mexico, and Italy; but these were offset by decreased sales to other traditional markets, among them the United Kingdom, West Germany, France, the Netherlands, and Sweden.

Argentina's Canned Fruit Pack Again Declines

The 1965 Argentine canned fruit pack is expected to drop for the second consecutive year, despite increased production of fresh deciduous fruits. The anticipated decline—by some 567,000 cases from 1964 to 1,328,000—is reportedly the result of high manufacturing costs and currency control measures. Most of it is in production of canned peaches.

PRODUCTION OF CANNED DECIDUOUS FRUIT IN ARGENTINA[1]

Type	Revised 1963-64	Forecast 1964-65
	1,000 cases[2]	*1,000 cases*[2]
Sweet and sour cherries	24	13
Apricots	24	17
Peaches	1,715	1,151
Pears	49	54
Fruit salad	73	81
Fruit cocktail	10	12
Total	1,895	1,328

[1] December 1 - November 30 marketing year. [2] 24 #2½ cans.

Exports during calendar 1964 totaled 495,000 cases, as opposed to the previous year's record level of 509,000 cases. Argentina's leading foreign markets in 1964 were Germany, Venezuela, and the United Kingdom.

The current canned peach pack is forecast at 1,151,000 cases—a decline of 564,000 cases from the 1964 total. Consequently, exports will possibly fall to 345,000 cases, or 70 percent of 1964 shipments.

ARGENTINE SUPPLY AND DISTRIBUTION OF CANNED PEACHES[1]

Item	Revised 1963-64	Forecast 1964-65
	1,000 cases[2]	*1,000 cases*[2]
Supply:		
Beginning stocks	240	49
Production	1,715	1,151
Total supply	1,955	1,200
Distribution:		
Domestic consumption	1,416	830
Exports	490	345
Ending stocks	49	25
Total distribution	1,955	1,200

[1] December 1 - November 30 marketing year. [2] 24 #2½ cans.

Canned fruit prices in March 1965 are up substantially from a year ago. Converting Argentine peso prices to U.S. dollars at the official rates of exchange, current peach prices per dozen 1-kilogram cans (1 kg. = 2.2 lb.) range from US$3.84 to US$4.00 as opposed to an average of US$2.54 in March 1964.

Argentine Prunes Damaged

The revised 1964 estimate of Argentina's prune pack is a record 10,500 short tons—significantly above the 1959-63 average of 7,000. Production in 1965 is expected to drop sharply to 5,000 tons as a result of severe hailstorms in the main-producing Province of Mendoza. The size and quality of undamaged fruit is reportedly good.

Exports in 1965 are to decline, possibly, if present figures are substantiated, by 5,100 tons from 1964 to 3,300 and by 1,000 from 1963. Leading importers of Argentine prunes during 1964 were Brazil 4,970 tons, Canada 1,880, the United Kingdom 280, West Germany 250, and the Netherlands 240.

ARGENTINA'S SUPPLY AND DISTRIBUTION OF PRUNES[1]

Item	Revised 1964	Forecast 1965
	Short tons	*Short tons*
Supply:		
Opening stocks, Jan. 1	100	100
Production	10,500	5,000
Imports	----	----
Total supply	10,600	5,100
Distribution:		
Domestic disappearance	2,000	1,700
Exports	8,400	3,300
Waste	100	----
Closing stocks, Dec. 31	100	100
Total distribution	10,600	5,100

[1] Calendar year.

India Forecasts Another Bumper Crop of Cashews

India's 1965 cashew crop, usually harvested in March-May, is forecast at 90,000 short tons. This would be equal to last year's record crop and over 10 percent above the 1958-62 average of 74,400 tons.

In addition, India expects to import about 190,000 tons of raw nuts (mostly from East Africa) during the 1965 season. Imports in 1964 are estimated at a record 200,000 tons; average imports for 1958-62 amounted to 127,000.

Because imported African nuts had been heavily rain damaged, the 1964 shellout was below normal. Kernel exports in 1964 are estimated at 2,325,000 cases (50 lb. net), slightly below the 2,352,879 cases shipped in 1963. Kernel exports during 1958-62 averaged 1,796,270 cases. The slightly lower level of supplies of raw nuts forecast for 1965 should be more than compensated by a better yield, so Indian cashew kernel shipments may amount to a record 2,450,000 cases.

The United States was again the leading market for Indian cashew kernels, taking half of total 1964 shipments. The Soviet Union continued a recent trend of increasing its cashew kernel purchases and was again the second most important market. Other Communist Bloc countries, however, took smaller shipments than in 1963, and as a result, total sales to the Soviet Bloc were lower than those in 1963. The United Kingdom was also an important market for Indian cashew kernels.

INDIAN EXPORTS OF CASHEW KERNELS

Destination	1962	1963	Preliminary 1964
	Cases[1]	*Cases*[1]	*Cases*[1]
United States	1,141,600	1,290,177	1,210,000
Soviet Bloc:			
USSR	232,627	394,064	441,000
Germany, East	153,459	155,635	145,000
Other Bloc areas	67,566	73,820	23,000
Total Soviet Bloc	453,652	623,519	609,000
United Kingdom	114,755	107,343	158,000
Canada	61,904	74,802	74,000
Australia	63,615	76,076	85,000
Others	202,757	180,962	189,000
Grand total	2,038,283	2,352,879	2,325,000

[1] 50 pounds net.

INDIA'S SUPPLY AND DISTRIBUTION OF CASHEWS
(raw nut basis)

Item	1963	Preliminary 1964	Forecast 1965
	Short tons	*Short tons*	*Short tons*
Supply:			
Beginning stocks, Jan. 1	11,500	14,000	10,000
Production	84,000	90,000	90,000
Imports	181,000	200,000	190,000
Total supply	276,500	304,000	290,000
Distribution:			
Exports[1]	251,000	278,000	260,000
Domestic disappearance	11,500	16,000	17,000
Ending stocks, Dec. 31	14,000	10,000	13,000
Total distribution	276,500	304,000	290,000

[1] Converted from kernel exports on the basis of a yield of 9.375 cases (50 lb. net each) per short ton of raw nuts in 1963 and 1965 and 8.375 cases per ton in 1964.

INDIAN CASHEW PRICES

Month[1]	1962	1963	1964	1963
African raw nuts:[2]	*Dol. per short ton*	*Dol. per short ton*	*Dol. per short ton*	*Dol. per short ton*
January	112.50	107.81	151.88	161.25
February	112.50	140.62	145.31	180.38
March	105.00	117.19	150.00	----
April	131.25	131.25	146.25	----
May	131.25	125.62	144.38	----
June	129.38	118.12	150.00	----
July	127.50	111.56	160.31	----
August	114.38	118.12	180.19	----
September	105.00	131.25	140.62	----
October	97.50	136.88	172.50	----
November	105.00	137.81	173.44	----
December	105.94	161.25	161.25	----
Kernels:[3]	*U.S. cents per pound*	*U.S. cents per pound*	*U.S. cents per pound*	*U.S. cents per pound*
January	43.0	43.0	54.5	58.0
February	44.0	42.0	52.5	61.0
March	43.0	44.0	56.0	---
April	45.0	44.5	57.0	---
May	46.5	45.0	57.0	---
June	46.0	44.5	59.0	---
July	46.0	43.5	65.0	---
August	44.0	46.5	70.0	---
September	43.5	48.5	69.0	---
October	43.0	53.0	68.0	---
November	44.0	54.0	67.0	---
December	44.0	57.0	60.0	---

[1] First day of month. [2] C.i.f. Cochin. [3] 320 count in 25-pound tins, c.&f. New York.

World demand is apparently keeping pace with production increases, as cashew prices have remained strong in spite of prospects for a record 1965 pack. Old-crop African raw nuts rose to $180.19 per short ton c.i.f. Cochin on August 1, 1964, while 320-count kernels in 25-pound tins were selling at 70 cents per pound c.&f. New York on that date. Both of these are the highest quotations on record since 1945. This exceptional level of prices was reportedly due to heavy buying to beat the anticipated port strike in New York but much of the market strength remained after the strike settlement.

Greek Tobacco Exports Set New Record

Greek exports of unmanufactured tobacco last year set a new record of 157.5 million pounds and were 15 percent larger than the 1963 level of 136.5 million. However, the average export price per pound for all leaf tobacco shipped to all destinations dropped to the equivalent of 77.3 U.S. cents from 87.0 cents in 1963. These average leaf export prices compare with 68.1 cents in 1962, 57.2 in 1961, and 54.9 in 1960.

Shipments to West Germany last year surpassed those to the United States, thus making West Germany the largest export market for Greek tobaccos during 1964. Exports to that country rose to 46.9 million pounds from 39.0 million in 1963, while shipments to the United States dropped to 40.0 million from 46.2 million. Other countries taking more Greek tobaccos in 1964 than in 1963 included France, the Soviet Union, Italy, Poland, Switzerland, the UAR (Egypt), Czechoslovakia, East Germany, Hungary, Finland, Sweden, and Israel. Countries which reduced their takings of Greek tobaccos last year include Belgium, Japan, Austria, the Netherlands.

GREEK EXPORTS OF UNMANUFACTURED TOBACCO

Destination	1962	1963	1964[1]
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
Germany, West	27,203	38,993	46,882
United States	10,057	46,226	40,038
France	9,169	3,726	11,222
USSR	9,614	8,091	9,092
Italy	11,574	4,482	8,849
Poland	3,448	3,563	7,010
Switzerland	5,408	2,738	3,675
UAR (Egypt)	1,936	981	3,352
Czechoslovakia	3,095	2,787	3,209
Germany, East	893	2,156	3,004
Hungary	2,116	1,190	3,001
Japan	1,925	2,881	2,509
Belgium	2,068	4,171	2,259
Finland	1,687	1,684	2,158
Austria	2,535	2,064	1,901
Sweden	1,548	1,384	1,840
Netherlands	1,808	1,938	1,689
Israel	833	1,030	1,601
Others	7,599	6,426	4,332
Total	104,516	136,511	157,523

[1] Preliminary; subject to revision. Series includes only leaf tobacco. Exports of waste not currently available.

Consignments to the Soviet Bloc countries last year totaled 25.3 million pounds, compared with 17.8 million in 1963. Shipments to the Soviet Union alone accounted for over one-third of the total, and there were significant increases in exports to Hungary and Poland, the latter taking 7.0 million pounds against 3.6 million in 1963.

Exports to the six Common Market countries rose to 70.8 million pounds from 53.3 million in 1963. Larger exports to West Germany, France, and Italy more than offset reduced shipments to Belgium and the Netherlands.

Average export prices per pound paid for Greek leaf tobacco, by major destinations, in terms of U.S. equivalents, were as follows: the United States 91.0 cents, West Germany 68.0, France 64.2, the Soviet Union 81.6, Italy 73.7, Poland 86.5, Switzerland 85.3, the UAR (Egypt) 67.9, Japan 85.8, Belgium 64.2, the Netherlands 64.8, and Finland 71.2.

Norway Imports Less Tobacco

Norway's imports of leaf tobacco in 1964 totaled 11.4 million pounds, compared with 12.8 million in 1963. Purchases of U.S. leaf in 1964 were 7.8 million pounds, compared with 8.3 million, but the U.S. share of the Norwegian market was down to 68 percent from the 65 percent of 1963.

Imports from Rhodesia, Zambia, and Malawi (formerly the Federation of Rhodesia and Nyasaland) totaled 1.4 million pounds in 1964—down considerably from the 1.9 million in 1963. Other major suppliers of tobacco to Norway last year were Canada, Japan, Turkey, and Greece.

Average import prices paid for tobacco from principal sources in 1964, in terms of U.S. equivalents, were the United States 73 cents; Rhodesia, Zambia, Malawi 53; Canada 65; and Japan 60.

NORWAY'S IMPORTS OF LEAF TOBACCO

Origin	1962	1963	1964
	1,000 pounds	*1,000 pounds*	*1,000 pounds*
United States	9,838	8,283	7,752
Rhodesia, Zambia, Malawi	1,854	1,944	1,394
Canada	149	545	468
Japan	502	639	446
Turkey	107	507	405
Greece	346	344	327
Thailand	394	344	233
Others	525	198	326
Total	13,715	12,804	11,351

Canadian Cotton Consumption High in February

Canadian raw cotton consumption, based on the number of bales opened by mills, was 42,010 bales (480 lb. net) in February compared with 36,873 in January and 37,375 in February 1964.

Consumption during the first 7 months (August-February) of the current season totaled 272,104 bales, 4 percent above the 262,148 bales opened in the same period of 1963-64 and 20 percent above average consumption of 226,000 bales in the first 7 months of the past five seasons.

Australia Imports and Uses More Cotton

Activity in the Australian cotton industry is currently at a record level. Raw cotton consumption in the full 1963-64 season reached 115,000 bales, 19 percent above usage of 97,000 bales in 1962-63; and consumption in August-November of 1964-65, at 46,000 bales, is 15 percent above the 40,000 used in the same 1963-64 period.

The industry has modernized some of its spinning equipment and has been able, with the aid of protective tariffs on cotton yarns, to increase considerably its share of the domestic cotton textile requirements. However, Australia still imports about three-fourths of its cotton woven goods, most of which come from Japan.

The improvement in spinning activity has been reflected in rising imports of raw cotton. The U.S. share of the total imports in 1963-64 was 72 percent, or 84,000 bales, compared with 47 percent, or 44,000 bales, in 1962-63. In August-December 1964, imports totaled 55,000 bales—20 percent above those in the same 1963 period and again coming mainly from the United States.

Australian cotton production has steadily increased, from an annual average of about 3,000 bales in the mid-1950's to 16,000 in 1963-64. Some reports indicate that the 1964-65 crop, now being harvested, may exceed 30,000 bales, although raingrown cotton in Queensland reportedly suffered from inadequate moisture early in the growing season.

To promote the production of cotton, the Commonwealth Government enacted legislation, effective January 1, 1964, and running for the succeeding five years, which provides for a support price in the form of a bounty payment on seed cotton sold for use in Australia. The government subsidizes the difference between the world price and the support price.

The support price for Middling 1-inch White seed cotton is 16.125 pence (15.05 U.S. cents) per pound; prices for other grades are related to Middling 1-inch by a scale of premiums and discounts which are determined annually. The world price, for the purpose of computing the subsidy, was recently reported at 8.44 pence (7.88 U.S. cents). This indicates a subsidy rate this year of approximately 7.685 pence (7.18 U.S. cents) a pound. A total support ceiling of $4.5 million will apply for each of the 5 years. At current support and world prices, this fund would subsidize about 45,000 bales of cotton.

U.S. Cotton Exports Lower

U.S. exports of all types of cotton in January, at 244,000 bales, were down 58 percent from the 587,000 bales shipped in January 1963.

A major factor contributing to the smaller volume of trade in January was the extended longshoremen's strike, which halted trade in eastern and Gulf ports for more than a month. Similarly, anticipation of the strike was to a large degree responsible for the increased December exports of 747,000 bales, 19 percent above the 628,000 bales shipped in December 1963.

India Produces Record Tea Crop

India's tea production in 1964 amounted to a record 823.8 million pounds, 61.2 million over output in 1963 and 5 percent above the previous record, set in 1961.

However, curtailed buying by the United Kingdom, India's largest customer, reduced 1964 exports to 464.1 million pounds, down 28.7 million from the previous year. Exports to the USSR, the second largest buyer, increased by 27 percent to 46.6 million pounds. Purchases by the United States were only 20.7 million pounds, the lowest since 1960.

Coffee Problems in the Congo

Continued disturbances in the Republic of the Congo (Leopoldville) threaten to reduce that country's total coffee crop.

Getting the 1964-65 crop harvested has been a problem but one that apparently is being met. An even bigger problem at the moment is the transportation of the coffee to warehousing and shipping points, since most trucks are either in the hands of the military or the rebels. As a result, sizable stocks are said to be held in such cities as Paulis and Stanleyville with no immediate prospects for getting it moved out.

Total production in the Congo in 1964-65 is estimated at about 1 million bags, of which only about 5 percent is expected to be consumed domestically.

West Pakistan To Build Second Jute Mill

A new jute mill is to be constructed in Jaranwala, Pakistan, at a total estimated cost of $10.1 million.

This mill, the second to be established in West Pakistan, will be equipped with about 8,000 spindles and 500 looms and will have an annual capacity of around 25,000 long tons of jute fabrics. The plant's output will be used locally for making bags for fertilizer, cement, and sugar and for packaging raw cotton and textiles.

The combined production of the two mills will satisfy about half of West Pakistan's needs for jute goods; the balance will be met by supplies from East Pakistan.

Most of Pakistan's jute mills are located in East Pakistan, where practically all the jute is produced. However, experimental plantings of jute in West Pakistan have been fairly successful, and this area may eventually have significant quantities of raw jute available.

Pakistan is the world's largest supplier of raw jute fiber to world markets. In 1964, U.S. imports of raw fiber from Pakistan totaled 61,001 long tons at $8.5 million.

Spain's Honey Exports Down

Spain's 1964 exports of honey are expected to be much below the 1963 level. For the January-November 1964 period, exports amounted to 3 million pounds, valued at a little over $500,000. Honey exports in 1963 amounted to 8.3 million pounds, valued at $1.3 million. More than half of the exports in 1963 went to France. West Germany and Italy were the second and third largest markets.

The number of beehives in 1964 is officially estimated at 606,420, or 17.6 percent below 1963's. Production is believed to have amounted to about 19 million pounds.

Australian Meat Shipments to the United States

Six ships left Australia between February 25 and March 11 with 6,823,040 pounds of beef, 631,680 pounds of mutton, and 138,880 pounds of lamb for the United States.

Ship and sailing date	Destination[1]	Arrival date	Cargo	Quantity
	Western ports			*Pounds*
Kristin Bakke ----	Seattle	April 15	Beef	127,680
February 25	Tacoma	16	Beef	26,880
	Portland	17	Beef	116,480
	Los Angeles	24	Beef	262,080
	San Francisco	28	Beef	248,640
Monterey ----------	San Francisco	Mar. 23	Beef	192,640
March 8	Los Angeles	27	Beef	257,600
Anna Bakke ------	Portland	April 27	Beef	24,640
March 9	San Francisco	May 8	Beef	67,200
Oronsay ----------	San Francisco	Mar. 30	Beef	33,600
March 11				
	Eastern ports			
Cap Roca --------	Charleston	Mar. 30	Beef	698,880
March 6	Norfolk	April 2	Beef	669,760
	Philadelphia	4	Beef	636,160
			Mutton	15,680
	Boston	7	Beef	624,960
	New York	11	Beef	1,547,840
			Mutton	134,400
City of Melbourne-	Charleston	April 6	Beef	280,000
March 11			Mutton	156,800
	Norfolk	7	Beef	69,440
			Mutton	33,600
	Boston	9	Beef	427,840
			Mutton	33,600
	New York	22	Beef	1,417,920
			Mutton	257,600
			Lamb	22,400
	Philadelphia	29	Beef	306,880
			Lamb	116,480

[1] Cities listed indicate location of purchaser and usually port of arrival and distribution area, but meat may be diverted to other areas for sale.

Australian Meat Board.

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Canada's New Dairy Plan Ups Manufacturing Milk Supports

Canadian Minister of Agriculture Harry Hays has announced a new dairy policy intended to provide a national average return to producers of Can$3.50 per 100 pounds for domestically used manufacturing milk.

Outlining an interim policy to the House of Commons, Mr. Hays also disclosed plans to establish a Canadian Dairy Commission. This Commission, working in cooperation with the Provinces, he said, "would have responsibility for the overall relationship between governments and the dairy industry."

According to the Minister, legislation to establish the Commission will be introduced "at the earliest possible opportunity."

Two programs will provide producers of manufacturing milk and cream an effective national average price of Can$3.50 per hundredweight of milk- or cream-equivalent, based on 1964-65 production. (This would equal US$3.26.)

First, there will be a deficiency payment plan coupled with direct subsidy and export assistance; second, a supplementary payment to the producers which, in total, will approximate the difference between the $3.30 support level (US$3.07) and the proposed national average price.

In the interest of encouraging economic dairy farm units, the supplementary payment will not be made to producers who marketed less than 10,000 pounds of milk—less than the average milk production from two cows—during the 1964-65 dairy year.

For eligible producers, to insure equitable treatment for those producing at levels closer to the minimum, the rate of supplementary payment will be reduced as production rises. It will range downward from 25 cents per hundredweight for the first 48,000 pounds of milk marketed to 10 cents per hundredweight for all milk marketed in excess of 96,000 pounds. (The creamery butter support price remains unchanged at 64 cents per pound, basis Montreal and Toronto.)

It is estimated that between 200,000 and 210,000 producers will be eligible for the supplementary lump-sum payment. The average payment per producer will be slightly over $100. Costs of exporting surplus manufacturing milk—but not those of exporting surplus fluid milk—will be deducted from any deficiency payment fund.

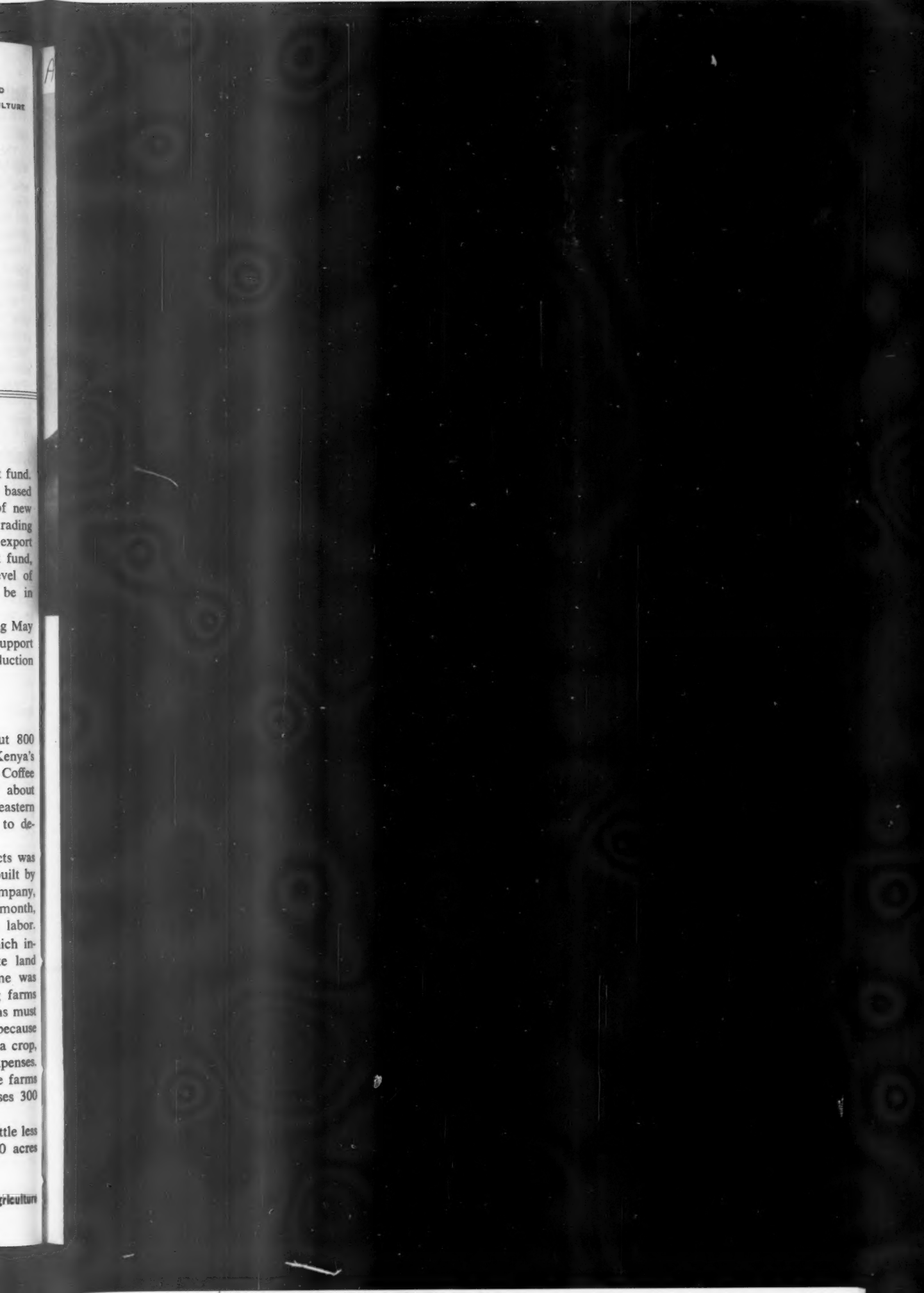
The manufacturing milk support program is being based on domestic use, both to discourage the buildup of new surpluses and to protect the interests of Canada's trading partners in the Canadian dairy market. Because export costs will be deducted from the deficiency payment fund, any surplus production will tend to reduce the level of support available to producers. It will therefore be in their own best interests not to overproduce.

The interim program applies for 11 months starting May 1. This is to facilitate a revision in the dairy support year to bring it more in line with the milk production cycle. Starting in 1966, the year will begin April 1.

Rhodesia Plans To Increase Its Coffee Output

Rhodesia, which reportedly produced only about 800 bags of coffee in 1964, hopes someday to equal Kenya's coffee production. An official of the Rhodesian Coffee Growers Association has estimated that there are about 100,000 acres suitable for coffee production in the eastern part of the country, and attempts are being made to develop some of this area.

Last October, coffee grown in the eastern districts was milled for the first time at a new mill in Umtali, built by the Rhodesian Coffee Growers Cooperative Company, Ltd. The mill, with a capacity of over 150 tons a month, reportedly requires each grower to supply his own labor.

There is also a new land-settlement scheme, which involves joint action by the government and private land owners. One of the first moves under this scheme was the selection of persons to set up coffee-producing farms in the area near Chipinga. Applicants for these farms must put up a minimum of about US$7,000 in cash, but because it is assumed that 5 years will be required to grow a crop, they will be able to secure loans for remaining expenses. There have reportedly been more applicants for the farms than there are farms available. Each unit comprises 300 acres, 50 of which will go into coffee.

Total coffee acreage in 1964 was estimated at a little less than 500 acres. Within 8 years' time, about 1,300 acres are expected to be in full production.